

New area for Male battle on education

Syria tries to salvage Lebanon security plan

By Nora Soutany in Beirut

INTER-MOSLEM clashes continued unabated for the second day yesterday in the northern port city of Tripoli, as Syria tried to salvage a security plan for the troublesome mountain region east of Beirut.

About 30 people were killed and 70 wounded in Tripoli as the fundamentalist Sunni Moslem Tawheed (Islamic Unification) militia fought the Syrian-backed Alawite Arab Democratic Party.

The Sunni-Alawite tension is not new to the embattled harbour town, home of Mr Rashid Karami, the Lebanese Prime Minister.

Meanwhile, the Druze Minister Mr Walid Jumblatt and the Shiite Minister Mr Nabih Berri, met in Damascus with Syria's Vice-President, Mr Abdel Halim Khadim.

The meeting was part of Syria's efforts to pave the way for a disengagement plan that would allow for the deployment of the Lebanese Army along the main axes in the hills and coastal roads.

Doubts were expressed here that the plan, to be debated at a crucial Cabinet meeting today, would materialise.

Part of the problem lies in the reluctance of the central Army Command to re-equip its mainly Druze Eleventh Brigade. Under the terms of the plan, that brigade would be in charge of disengaging combatants of the Druze Progressive Socialist Party and Christian militias.

Lebanon's President Amin Gemayel may meet President Assad soon to try to advance Lebanon's stalled peace process, Mr Karami indicated last night.

Italian ships to join mine-hunt today

Four Italian navy ships will leave today to take part in the international effort to clear mines from the Red Sea and Gulf of Suez, state-run television said yesterday.

AP reports from Rome. Italy plans to send three mine-hunting ships, one naval support ship, and 280 naval personnel.

In Cairo, an Egyptian military leader said: "Suspicious are almost confirmed that a Libyan ship dropped those mines." He also said the mines were "most probably Italian-made." Libya has denied such claims.

Israeli bank officials criticise politicians

JERUSALEM — Senior officials at Israel's central bank have expressed deep concern at the failure of political leaders to recognise the urgency of the country's economic crisis and form a government to take quick action.

The officials said yesterday they had expected the recent dramatic fall in Israeli foreign reserves to inject urgency into coalition negotiations, which have been dragging on since last month's inconclusive general election.

"We hoped that the figures would give the politicians a shock, would wake them up," said Mr Israel Igza, head of the Bank of Israel's foreign currency department.

"Unfortunately, the effect we anticipated has not been achieved so far. The various parties are still squabbling about issues, which in the current economic emergency situation, must be seen as marginal," he said.

Last week, it became clear that Israel's foreign currency reserves had fallen in June by \$670m, not \$551m as originally announced by the bank.

They now stand at about \$2.2bn, well below the "red line" of \$3bn which economists regard as the minimum working level.

Mr Moshe Mandelblat, governor of the central bank, said the Government could have prevented the fall in reserves by taking out new foreign loans. But, he added, "we advised against it because taking loans will not solve our problems."

He said it was essential for that government to cut spending immediately by \$1.5bn—11.5 per cent of its budget.

"These very massive cuts must include cuts in defence. Reuter

Referendum soon on Libya-Morocco pact

A treaty for union between Morocco and Libya, signed last week, will be put to the vote in a referendum in Morocco on August 31, King Hassan announced, Reuter reports from Rabat.

The treaty, signed by King Hassan and Libya's leader Col Muammer Gaddafi, is also due to be put to a referendum in Libya.

Gandhi denies hand in sacking of Rama Rao

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, the Indian Prime Minister, yesterday appeared in the Indian parliament to deny that she had ever been consulted by the Governor of the state of Andhra Pradesh before he dismissed its Chief Minister, the former film star Mr N. T. Rama Rao.

Claiming that a campaign of "vilification" had been launched against her, Mrs Gandhi announced that the new Chief Minister of Andhra, Mr Bhaskara Rao, who is supported by her Congress-I party in the state, has agreed to call an early session of the legislature.

Both he and Mr Rama Rao claim that they have majorities in the state parliament.

Earlier yesterday Mr Rama Rao demonstrated the support he still commands. Clad in the traditional saffron robes that he wore when he was a popular religious film actor, the ailing former Chief Minister was taken in a wheelchair to the President's palace in New Delhi with 182 members of the 294-member Andhra legislature.

Headling aloft their identity cards and shouting "We want justice" and "Rama Rao has the majority," the supporters were checked by security staff before being allowed entry.

Inside, they appeared before the President, Mr Zail Singh. The President refused to take a

head count. But Mr Rama Rao later said he was satisfied with the assurance given that "justice would prevail."

Mrs Gandhi's denial of involvement in Mr Rama Rao's dismissal was greeted with howls of disbelief in the parliament and was followed by the defection to the opposition of a member of her Congress-I party, Mr Kamal Jha.

Mr Jha said he was resigning from the party because of his disenchantment with events in Andhra Pradesh and in Kashmir last month, where democratically-elected government had been toppled. There was pandemonium in the house when he crossed over to the opposition benches

during the debate, the Andhra Governor and Mrs Gandhi came under severe attack. The widespread continuing violence in Andhra over the dismissal has also placed the Prime Minister in a difficult position.

If, as seems likely, Mr Rama Rao wins a vote of confidence when the Andhra legislature meets, she will then face the dilemma of whether or not to reinstate a chief minister whose hostility towards her during the coming general election campaign is assured.

N. T. Rama Rao in one of his film roles



Thousands turn out for Aquino rally

By Chris Sherwell and Emilia Tagaza in Manila

SIMMERING public resentment at the 19-year rule of President Ferdinand Marcos spilled over in the Philippines yesterday as crowds numbering hundreds of thousands publicly commemorated the assassination a year ago of the opposition leader Mr Benigno Aquino.

Climaxing the occasion was a huge rally staged in the heart of Manila. It was the biggest since Mr Aquino's public funeral and a chill reminder of the popular outrage over his death and the political troubles Mr Marcos still faces.

"If Mr Carco doesn't listen to us, there will come a time when we'll launch a civil disobedience campaign," Mr Agapito Aquino, the slain leader's younger brother, told the cheering crowd.

Mr Benigno Aquino, a former opposition Senator, was shot dead moments after returning home after three years of self-imposed exile in the U.S.A. a commission of inquiry has yet to report on the unsolved murder.

Millions of people took time off work yesterday, hung up yellow ribbons to symbolise freedom and donned yellow shirts emblazoned with slogans demanding justice. Steel-helmeted police stayed on the sidelines.

At a church mass, Mrs Cory Aquino, Mr Benigno Aquino's widow, said: "The past year has been a year of justice delayed, of courage and of sacrifice."

But she added that it had also been a year of partial victories against heavy odds—a reference to the strong opposition showing in last May's parliamentary elections.

Cardinal Jaime Sin, Archbishop of Manila, appealed strongly for reconciliation. People could "join the parliament of the streets so that we can make the power of non-violence felt," he said.

It was clear that yesterday's demonstrations provided an opportunity no anti-Marcos group could afford to miss. Farmers, workers, students, women, the poor—even politicians—were all represented.

Nationalistic songs, political gestures and the unveiling of two Aquino statues betokened unity, but at the rally loud boos from radical leftists were a reminder of continuing rifts.

Police station blast as Sri Lanka peace talks resume

COLOMBO—Bombs thrown by separatist Tamil guerrillas exploded at a police station on an island off Sri Lanka's troubled northern province yesterday breaking a relative lull in ethnic violence in the region, officials said.

A group of guerrillas hurled bombs at the police station in Kiyas, but were beaten off when police opened fire, the officials added. No casualties were reported.

Reinforcements had been sent to the police station. The blasts occurred several hours before peace talks in Colombo on finding a political solution to the unrest between majority Sinhalese and minority Tamils.

Leaders of Sri Lanka's political parties, ethnic groups and religious organisations were to discuss a peace plan proposed by President Junius Jayewardene in a bid to resolve the unrest.

President Jayewardene has proposed the creation of a second parliamentary Chamber. He called the conference to consider "the principles of how the second Chamber should be composed, its powers and functions," and how it could be used to resolve the ethnic problem.

But the two main Tamil parties dispute President Jayewardene's contention that there is a consensus in favour of a second Chamber. Reuter

Turnout is key to success of S. African election

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S Coloured (mixed race) voters go to the polls today in the first round of voting leading to the establishment of the country's new tri-cameral parliament next month.

There is little doubt about the outcome. The Labour Party, led by Rev Allan Hendrickse, looks certain to win an overwhelming majority of the 86 seats at stake.

The real contest is over the turnout, for the 2.8m Coloureds are divided over the merits of a new constitution endorsed by the white electorate last November.

The supporters of participation, led by Rev Hendrickse, have claimed that the parliament will provide a base from which to press for the dismantling of apartheid. Dr Allan Boesak, a leading member of the Coloured community and president of the World Alliance of Reformed Churches, dismisses the argument.

"While they (the Government) will give you little concessions," he told one rally, "the repression is going to grow harder."

Dr Boesak is a prominent member of the United Democratic Front (UDF), a coalition of organisations which is leading the call for a boycott of both today's exercise and next week's polling by 900,000 Indians for 45 seats.

The elections will be the most serious test of the UDF's support since its formation in 1982. It has brought together as a loose coalition a cross-section of South African society—trade unions, cultural and community organisations.

In campaigning for a boycott, it has argued that any constitution which provides no place

for the country's 22m black majority is unacceptable, and sees the new system as little more than a device for entrenching white domination.

Certainly, under the new structure power remains firmly in white hands. Representation is based on three separate houses—the 178-member House of Assembly for white, the 85-member House of Representatives for Coloureds, and the 45-member House of Delegates for Indians.

The three houses will be Congresses, two organisers of the Release Mandela campaign, and one a Cape student leader.

Mrs Helen Suzman, the opposition Progressive Party member, said that unless the men arrested were brought to court as soon as possible, the arrests would be considered as "gross intimidation."

Leaders of various Coloured and Indian parties participating in the elections have called for the immediate release of the nine men.

Despite the arrests, the campaign against the election has gathered momentum. Students at eight universities and a number of high schools are boycotting classes while most major black trade unions have called on Coloureds and Indians to stay away from the polls.

"Stay away" supporters have tossed petrol bombs into the houses of election candidates and have threatened potential voters with violence. From the other side have come threats that electors might lose their Government-controlled pensions or houses if they fail to vote.

So far it seems that the Indians, with nearly 90 per cent voter registration against 66 per cent for the Coloureds, are more likely to turn out in large numbers. But if the boycott campaign is successful today, potential Indian voters may well think again.

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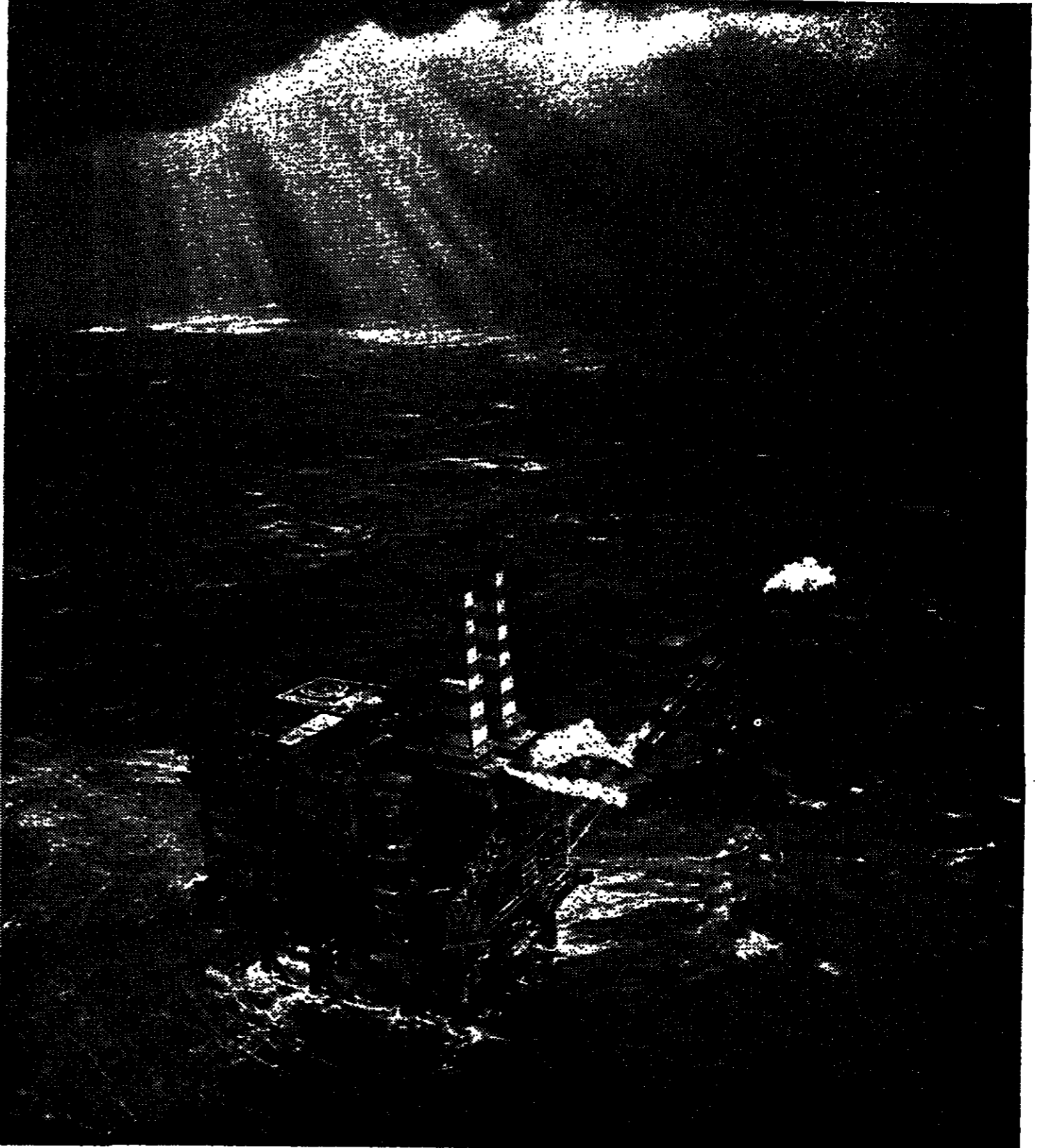
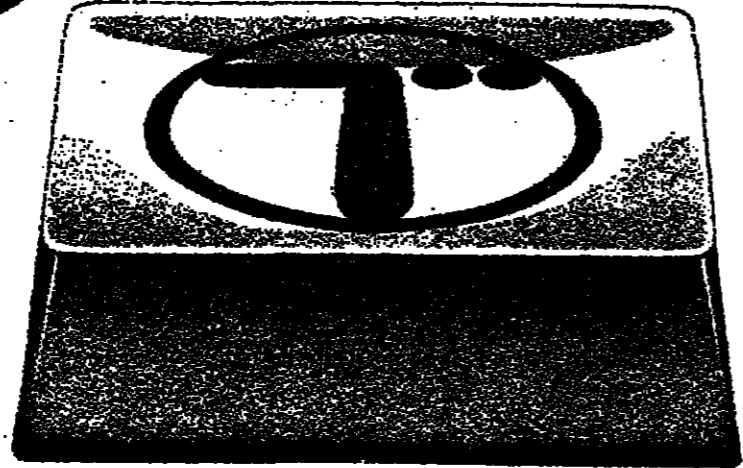
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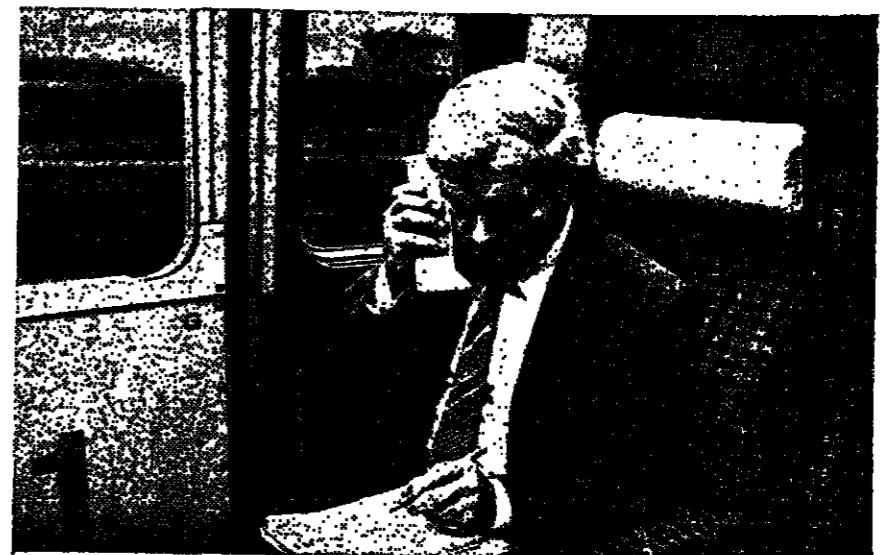
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Italy's post surplus not clearing job

MANAGEMENT

Why charities should not be left to the mercies of a boardroom whim

Tim Dickson reports on corporate philanthropy

ETR, THE large and highly successful British industrial holding company, makes virtually no donations to charity. The main message of the new publication—it is aimed at both corporate donors and fund-raising charities—is that companies should reconsider this "random altruism" and develop programmes which are mutually beneficial to themselves and the community they are trying to help.

when compared with either the total resources available to the company or its contribution to the Exchequer in taxes. The vast increases recently in the number of charitable head offices—one major group said this week that the total so far in 1984 already exceeds that for 1983—should be a powerful incentive for businesses to review their "ad hoc" arrangements. For with the present Government seeking to lessen the role of the state, eyes are focused more and more on the business community as providers of these sorts of funds.



"What's the charity this time?—The Cayman Island Home for Retired Company Accountants?"

making informed judgments about the pattern of social need, nor about the effectiveness with which recipients will use the donation in meeting social need. It is difficult to justify donations made in this way either on grounds of effectiveness or in terms of any benefit to be derived by the company.

The extent to which local voluntary giving can boost a company's local image is clearly illustrated by the impact of the Hambro Life Charitable Trust in the area around Swindon. Careful assessment of potential effectiveness—to both donor and recipient—underpins much of the current increase in sponsorship.

On top of the money donated by the company, The Economist's committee has raised its own fund-raising events. Committee members, says Simkins, often think up imaginative ways of making the money go further, such as buying a painting by a lesser-known artist and selling it off to the highest bidder.

The Economist introduces democracy and efficiency into giving

ASK journalists to organise something—and some would say you have a sure recipe for disaster. But The Economist Group's decision three years ago to switch responsibility for charitable donations from the boardroom to a committee of employees (including outsiders) appears so far to have been successful for all concerned.

decided that we wanted to relate the broad areas of support as closely as possible to the activities of our company. Thus we always look favourably at charities which are involved in some way with communications; we try to look as far afield as possible to the national grid, where there are risks would be highest.

Efficiency, meanwhile, is an important criterion for The Economist's committee and it has devised ways of working on the "ground" where there are risks would be highest. "We react very negatively if we get three different applications from the same organisation," says Simkins.

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Like the employers also, a goodly proportion of the students felt that some business graduates were unwarrantably arrogant to the extent of deterring companies from even considering employing the school's products. Many MBAs believe that they can cure a company's ills on day one between coffee and lunch.

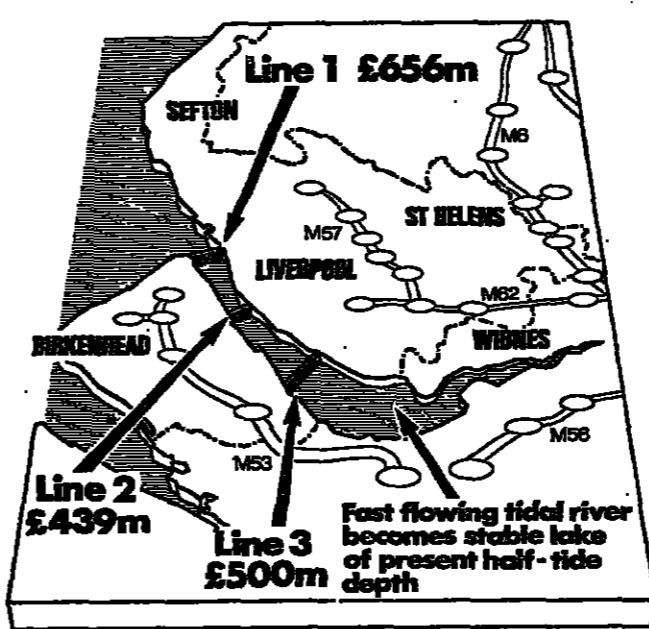
TECHNOLOGY

Program aids deafness

DR BERNARD CHAPMAN of Bristol University School of Education has devised a computer programme to help deaf pupils to read. Called Catch Up, it introduces the word order of spoken English to children unfamiliar with it. Funded by a £50,000 grant from the Department of Trade and Industry, it progresses from linking words and pictures to introducing phrases.

APATHY TOWARDS TIDAL PROJECT BUT STUDIES GO ON BARRAGE ACROSS THE MERSEY

DESPITE lack of enthusiasm from the Central Electricity Generating Board, investigations are to proceed into the merits of a Mersey barrage. Supporters of the project, first mooted nearly three years ago, see the issue as a test of whether Government is serious about alternative sources of energy or not.



There are three possible lines for the barrage. Supporters of the scheme say it would bring social and economic benefits to Liverpool.

Offshore Weather forecasting

A FOUR-YEAR programme to improve weather forecasting for the North Atlantic will cost £2.7m and is funded mainly by the UK Offshore Operators' Association (UKOOA). The Department of Energy is contributing 50 per cent of the cost.

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Expert systems Alvey funds computer adviser. THE ALVEY Directorate is to support a project to computerise the work of financial advisers.

Energy Alternatives conference. COVENTRY (Lancaster) Polytechnic is to be the site of an international conference on alternative energy systems.

Graphics Drawing tablets. A GRAPHICS tablet for use with Commodore 64 personal computer is now available from Audigonic.

NILFISK - the world's largest manufacturer of industrial suction cleaners. Bury St. Edmunds, Suffolk (0284 63163)

PROTOTYPE DIGESTERS GIVE SMALL UK COMPANY HOPES FOR AGRICULTURAL SALES

Waste-eating microbes make energy. CONVERSION of waste into energy by means of anaerobic digestion is one of the commercial applications of biotechnology developed by Cardiff Laboratories for Energy and Resources Ltd (CLEAR).

benefits the barrage might bring. The aim will be to harden up what is quantifiable — mainly capital costs and technical factors that might see more power generated — so as to improve the case on power-generating economics alone.

Government representatives have now suggested more work, moving away from environmental issues and those unquantifiable social and economic

while a third is located at a creamery in Wiltshire. British interest in the process has been expressed by the Welsh Office, the National Farmers' Union, and the Ministry of Agriculture, while European and American companies have been to see the digesters in action.

Waste-eating microbes make energy

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Vehicle 1500

COMPETITION IN BRITAIN'S PORTS

The struggle to match Europe

By Brian Groom



MR NICHOLAS RIDLEY Transport Secretary

"WE SEE the ports industry as a normal industry like any other; ports can and should compete... on equal terms. It is my aim to work towards reducing, even eliminating distortions."

Thus Mr Nicholas Ridley, Britain's Transport Secretary, last April. But the volatility of financial relations in the port since then has underlined the fact that one of the biggest alleged distortions remains untraced: the 57-year-old statutory dock labour scheme.

This is not the only problem facing the Government in its attempt to instil the spirit of free and private enterprise. Five years after Mrs Thatcher came to power, British ports are still commonly seen to be less competitive than their continental rivals.

But for many employers, the labour scheme is the crucial issue. "The Government turned a blind eye to the scheme. Ignoring the problem only made it worse, and it blew up in ministers' faces. To pretend that their policies on all sorts of issues can be pursued in a vacuum, taking decisions on that is nonsense," says one port manager.

The Government might consider that a verdict harsh. It was only last winter that the majority of employers swung towards repeal of the legislation regardless of union disapproval, after three years of trying to get union agreement on voluntary reform. Moreover the government has delivered on some parts of its programme—for example the country's biggest port authority, the British Transport Docks Board has been safely privatised (it is now Associated British Ports).

Yet the scheme—a complex bureaucratic mechanism involving joint union-management representation on the boards designed to reassure cargo-handling for 13,500 registered dockers—survives. It embraces ports handling 70 per cent of Britain's seaborne trade.

The dominant Transport and General Workers' Union sees it as a source of job security even though there have been thousands of voluntary redundancies.

Employers see it as a millstone which costs £1,200 extra a year per docker in administrative and voluntary severance costs (it is virtually impossible to make dockers compulsorily redundant).

Mr Ridley appeared to agree last April, when he described

the scheme as one of the industry's "irrational fringes," which "acts as a distortion of fair competition... between scheme and non-scheme ports."

During last month's strike, however, he said the Government had no plans to scrap the scheme. He gave no reasons as to why not. The most likely one is that Ministers fear abolition would provoke an even more damaging conflict.

The TGWU, not content with Ministers' assurances, wants to strengthen the scheme by curbing the use of specialist, non-registered labour employed by outside contractors.

Yet if the union succeeds in achieving something which looks like an extension of the scheme, it will run the risk of goading the Government into changing its mind and scrapping it.

Meanwhile, Ministers face an uphill battle in tackling other issues of competitiveness: international competitiveness. Port charges appear in general higher than on the Continent, though how much higher is hard to establish. The British Steel Corporation claimed last year that they were often double, and sometimes four times higher. Port authorities accused BSC of quoting published rates, rather than negotiating them.

High charges mean that deep-sea ships tend to go to continental ports like Rotterdam and feed the portion of the goods destined for Britain across in small vessels, rather than vice versa. Most seriously of all, high charges raise the cost of exporting, with a consequent loss of orders.

Reasons for the disparity include the state subsidies which continental ports receive for things like wharves, infrastructure and dredging costs. A 1982 EEC survey showed that subsidies varied between 60 and 100 per cent in seven of the nine coastal states. But in Britain and Ireland none were paid.

Some European ports have shown renewed interest in formulating an EEC ports policy to reduce subsidies, but previous efforts have failed.

In the absence of an EEC policy, British ports are concentrating on persuading the Government to take action on costs—particularly light dues, which cost shippers an estimated £46m in 1983-84, and can amount up to 72 per cent of total port charges.

The British Ports Association would like the Eschequer to pay for lights, but the Government will not go this far. It has commissioned reports on more equitable distribution of light dues between ports and improved management at the three independent lighthouse authorities.

Ports hope measures like this will help break their vicious circle: the theory goes that if costs could be cut, more business would be won, the decline in the workforce would be halted, which would make unions more sympathetic to improving productivity. But in reality, efficiency measures are likely to cut lighthouse costs by no more than about 10 per cent.

Pilotage, which cost the shipping industry £43.5m in 1983, is also a target. Plans to reform the system are bogged down by failure to agree

EUROPEAN PORT SUBSIDIES

Subsidies available for investment or maintenance as a percentage of costs, 1982

Country	Maritime access channels	Lights, buoys, navigational aids	Sea locks, exterior breakwaters	Docks, quays reclaimed land
Belgium	100	Up to 100	Up to 100	Up to 100
Denmark	Nil	100†	Nil	Nil
W. Germany	Up to 100	100	100	100
France	80 to 100	40 to 100	80 to 100	Up to 100
Ireland	Nil	Nil	Nil	Nil
Italy	Up to 100	100	Variable	Up to 100
Netherlands	65 to 100	Up to 100	Variable	Variable
UK	Nil	Nil	Nil†	Variable
Greece	Variable	Up to 100	100†	Variable

† Not available inside ports. ‡ Breakwaters only.

Source: EEC Transport Commission

on a compensation scheme to allow 555 of the 1,457 ships' pilots to retire early in return for paying out averaging more than £25,000 each.

Additional international business might also be won by Britain's six experimental freeports. The first of these customs-free zones has opened at Southampton but is early days yet to judge how successful they will be.

Privateisation. ABP's 19 ports have now been privatised and some docks were private already. But introducing private capital into the rest of the mixed bag of trust ports, council-owned ports and those owned by nationalised industries will be difficult.

Apart from market loans for investment, Mr Ridley has raised the idea of bringing a measure of equity funding into cargo-handling operations, which would be separated out from port authorities' conservancy functions.

Port authorities have reservations. If an authority wanted to close upriver facilities and move them down river, how would it deal with a big private upriver equity investor who did not want to move? Must the sitting of infrastructural facilities always be determined by the biggest private investor?

Domestic competition. Mr Ridley wants ports to compete "on all fours" but progress is slow. The port of Bristol has been propped up by the city's rate payers and is striving to break even, while the Government has taken time to disengage itself from the Port of London Authority and the Mersey Docks and Harbour Com-

pany. By late last year financial assistance of various kinds to these two authorities had increased to more than £270m—far more than envisaged in 1979.

The Transport Department has now ceased funding deficits at London and Liverpool, though it is still financing redundancies. Mersey Docks has returned to profit. The PLA has not collapsed, despite 11 weeks of strikes last year. Yet it is only managing to stay out of the red with the help of £12m a year in dues levied on port users.

Those two ports apart, it is nearly four years since the Government last made a loan to a harbour authority for new capital investment. Earlier this year the Government removed its own powers under Section 9 of the Harbours Act 1964 to control port developments through investment grants. This year the Government removed its own powers under Section 9 of the Harbours Act 1964 to control port developments through investment grants.

The association argued that where large public spending on things like road and rail links was involved, the Government should retain its last line of defence against serious distortions to capacity.

All of this creates the impression of a rift with port authorities, but it should perhaps not be exaggerated. "The Government's recognition that ports should be given the circumstances in which free competition can exist is right, but distortions remain, and sometimes we are concerned that macroeconomic policies are applied without enough consideration being given to their impact on the ports," said Mr Nick Finney, director of the BPA.

The Government has responded to some of these complaints. The Rayner report on cutting the cost of the customs service recommended reduced rates and increased charges, but after protests from the ports association the Government announced watered-down plans for implementation.

The Government also made concessions to various trade interests by delaying for a month until November 1 the start of the new accelerated system of paying VAT on imports, and encouraging banks to give guarantees which would allow traders to pay bills monthly by direct debit—though these may not be enough to assuage fears of chaos at the ports.

International Monetary Reform

Cures that are worse than the disease

By Allan H. Meltzer

THIS SUMMER was the 40th anniversary of the beginning of the Bretton Woods Agreement and the 13th anniversary of its end. In July 1944, the monetary experts and officials of the allied powers agreed on a plan, initiated by Keynes, to establish a system of fixed but adjustable exchange rates. The system lasted until August 1971 when President Nixon ended the relation of the dollar to gold.

For more than a decade, the values of the dollar, the pound and the yen have varied with the changing hopes and anticipations of the market-place. The Mark has fluctuated as part of a bloc of continental currencies. The wide swings in currency values during this decade have led some observers to press for monetary reform. Several proposals have been made. Some, particularly among the French, talk of a new Bretton Woods meeting and a return to fixed but adjustable exchange rates. Some, especially in the U.S., want to return to a gold standard. And some propose a new arrangement under which principal currencies would co-ordinate their economic policies. I am sceptical about each of these proposals. Let us examine them one at a time.

It is not surprising that the French like fixed exchange rates. Under the Bretton Woods system they devalued against other currencies whenever it suited them domestically. Devaluation gave a temporary momentum to French exports and slowed the growth of imports. The French Government tried to maintain the momentum by using exchange controls.

France was not the only country to value domestic interests more highly than exchange rate stability. The U.S. failed to keep money growth at a non-inflationary rate after 1964. Other countries chose to inflate instead of revaluing their currencies, so U.S. inflation spread to the rest of the world.

Although the U.S. economy is now a smaller part of the world economy than in the Bretton Woods era, it is too large to treat as one among many. A return to Bretton Woods is a return to some type of dollar standard under which shifts in political sentiment and

economic policy in the U.S. impose alternating periods of expansion and contraction, inflation and disinflation, on the world economy. Fluctuating exchange rates do not avoid these effects, but they damp them by letting the dollar move up or down against other currencies.

Proposals to return to some type of gold standard seek to

reduce uncertainty by reducing political influence on U.S. monetary policy. The aim is laudable, but the proposals are laughable. Some would adjust the price of gold to reflect changes in commodity prices. This proposal gives up the most attractive feature of the gold standard—an enduring commitment to maintain convertibility of currency into gold at a fixed price.

The principal error of proponents of gold is that they have not looked carefully at either the gold standard or the current system. They presume that the gold standard produced greater certainty and stability and that the current system produces much less. In fact, prices varied widely under the gold standard, at times falling for a decade or more, then rising. Once every 50 years or so, prices returned to a previous level. The gold standard is a costly system for maintaining exchange rate stability but does not provide stable prices except by chance.

A recent plan by Professor Ronald McKinnon of Stanford University tried to harmonise price and exchange rate stability. He proposed that the U.S., Germany and Japan should agree to stabilise exchange rates by controlling a sum called "world" money. Each country sets a target for its own monetary growth, but the three targets must remain compatible with the prescribed growth of world money. Growth of world money is set, collectively, to

keep the price levels in the three countries from rising or falling on average. The three must also agree on a set of exchange rates that are compatible with their price stability and employment goals. These rates provide the benchmark for monetary policy. If the dollar/mark exchange rate appreciates, the U.S. must expand money growth and Germany must contract. Since U.S. money growth has more weight in world money growth, each 1 per cent increase in U.S. money growth requires a 1.3 per cent reduction in German, or a 2.5 per cent reduction in Japanese, money growth.

In 1983 and 1984, Prof McKinnon's system would have given a strong signal. The dollar appreciated against the mark and the yen, requiring money growth to increase in the U.S. and decline in Germany and Japan. Although money growth would have been required to pursue deflation—to lower the level of the money stock to raise the exchange rate. Currently, Prof McKinnon's plan leads to a perverse result. The most expansive country would be required to expand more. The countries with lagging growth would need to deflate.

The peculiar working of the scheme is not entirely accidental. Prof McKinnon's proposal is based on two incorrect beliefs. One is that inflation has been caused by world rather than by domestic money growth. The second error is the belief that instability is caused by large shifts in demand for major currencies. In a recent article, published by the International Monetary Fund, Franco Spinelli shows that neither belief is correct.

Fluctuating exchange rates are not an ideal system, but it is easier to criticise than to improve on them. None of the current proposals that move toward, or return to, fixed exchange rates is an improvement. We are better off as we are.

The author is John M. Olin, Professor of Political Economy and Public Policy at Carnegie-Mellon University, Pittsburgh.

To return to a type of gold standard is a laudable aim, but the proposals are laughable

reduce uncertainty by reducing political influence on U.S. monetary policy. The aim is laudable, but the proposals are laughable. Some would adjust the price of gold to reflect changes in commodity prices. This proposal gives up the most attractive feature of the gold standard—an enduring commitment to maintain convertibility of currency into gold at a fixed price.

The principal error of proponents of gold is that they have not looked carefully at either the gold standard or the current system. They presume that the gold standard produced greater certainty and stability and that the current system produces much less. In fact, prices varied widely under the gold standard, at times falling for a decade or more, then rising. Once every 50 years or so, prices returned to a previous level. The gold standard is a costly system for maintaining exchange rate stability but does not provide stable prices except by chance.

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Lead-free petrol

From the Chairman and Managing Director, Conoco

Sir—Your correspondent quoted me on August 17 ("Lead-free petrol weighs on EEC minds") as saying that a one octane grade of 94 for unleaded petrol is non-negotiable if the least energy-wasteful solution is to be achieved for Europe as a whole.

The energy efficiency optimum octane of 94 is the finding of CONCAWE (Conservation of Clean Air and Water in Europe) in its report 11/83R. This report was commissioned by an EEC-working group and used data provided by both the oil industry and the motor industry.

The report shows that the use of energy in manufacturing petrol and by burning it in car engines rises with an octane level above 94. Energy use at 94 octane, which would be the predominant grade if the motor industry has its choice, is 20 per cent higher than at 94.

So the energy consumer really ought to be concerned at any prospect of an EEC compromise solution which would mean the introduction of an octane above 94. It might appear to be an acceptable compromise between two industries but it would not be in his or her best long-term interests. K. K. Bowden, 330, Blackfriars Road, SE1.

Aerospace practice

From the Aerospace & Defence Industry Analyst, Coppel-Care Meters

Sir—Kenneth Warren's excellent and provocative article (August 15) is certainly a school of thought that I suspect will gain ground as the details of the future European fighter aircraft (FEFA) project produce another classic British-French conflict of interest. I feel, however, that several aspects of aerospace practice and experience, understandably not alluded to by Warren, need to be considered.

The only really successful modern UK programmes have been the Hawk and the Harrier. The former, a dual role aircraft, was developed with export markets in mind. The latter led the world in V/SXOL technology and represented an epoch-making event in aviation. Yet in both cases, to crack the all-important U.S. market collaboration had to be accepted. Nothing will ever change this reality.

Since the halcyon days of polo-balls mentality, the development costs of new combat aircraft have gone up like the pro-

Letters to the Editor

verbal skyrocket. Remember that it was a Conservative government that was forced to cancel the last solo effort, TSR2, that project only becoming viable as a collaborative derivation (MRCA, later Tornado) years after the cancellation.

Prior to FEFA, UK industry and government had indeed successfully conducted the P100 and P110 studies that went into, in turn, ACA, experimental aircraft programme and now FEFA P-110, however, was no more the aeroplane that the RAF ideally wanted than will be the outcome of the FEFA discussions; it was a compromise designed to maximise export potential.

When comparisons are made with the success of the go-along French and Americans, it should be remembered that the Americans have a home market measured in thousands of aircraft (compared with around 250 in Britain) and more international political clout; and the French government backs French manufacturers with strong nationalism and easy finance which I doubt whether either the Treasury or Foreign Office would find conducive.

Lessons are being learned all the time in collaborative project management and, while patently less efficient, a Panavia type structure without the NAMA tier ought to be an acceptable price to pay for the economies of the scale that FEFA would undoubtedly produce.

I contend, therefore, that the argument is much less clearly defined than Warren would have us believe. I, for one, will take some convincing that FEFA is not the only viable alternative for the UK aerospace industry. K. R. Ashworth-Lord, Both House, Holdern Viaduct, ECI.

Playing games with the Press

From the General Secretary, National Union of Journalists

Sir—I once had a local which displayed the notice: "The banks have promised not to sell beer. We're not cashing cheques." Understandably, and perhaps to his credit, Mr Maxwell is more acquainted with the inside of banks than locals.

Mr Maxwell and others, however, should stick to the aims announced when making their bids to own "great newspapers." Leave games, as they are now being called, to the gamblers. Journalists and readers will see no dividends from yet more sensational campaigns to boost circulations.

If such fortunes are to be used for gaining bingo caller status, then would it not be responsible to consider the tax implications of such games in newspapers, from which the revenue could be used to assist those who have difficulties in raising capital to disseminate real news and views. Ken Ashton, 314-320, Gray's Inn Road, WCL.

Aviation, employees and customers

From the Lord Mayor of Manchester

Sir—Mr David Lindsay (August 15) listed questions of wide significance which have arisen from the current controversy in civil aviation.

Mr Lindsay asked whether it is fair to the consumer to have a substitute airline forced on him. Such an action would be a violation of this administration's belief in the ability of market forces to most effectively answer the consumer's needs.

It cannot be responsible or fair to expect an airline's staff to switch their loyalty to a rival, past work and sacrifice counting

expense, to find some form of accommodation for the miners and their families.

We are hoping to avoid such action which would increase the miners' distress, many of whom I would add are still continuing to make some contribution to their mortgage repayments, and inflate what is a very deep wound to the country.

L. L. Frame, Branch Manager, Leeds Permanent Building Society, 15, High Street, Rotherham, South Yorkshire.

Impact of wages on employment

From Mr H. Neuburger

Sir—Professor Dennison (August 16) made some criticisms of the analysis I made for the Low Pay Unit in regard to the impact of a national minimum wage on employment.

The point of my argument was that the Treasury model contains certain special assumptions which would exaggerate the impact of higher wages to reduce employment. In spite of that, it suggests that a national minimum wage would have negligible impact on employment. A more objective analysis would, I believe, show a benign effect.

Prof Dennison appears to have a strong dislike of macroeconomic analysis in any form. Microeconomic analysis of the kind he advances would have no bearing on whether a general increase in wages would increase unemployment—only on whether a particular group of workers can cut their wages and take the jobs of another group. Even in this limited sphere, most historical evidence is against him.

My alternative conclusion one draws on the microeconomic issues, it has no relevance to the doctrine that workers in general can price themselves into jobs. I assume that Prof Dennison will be urging Government Ministers and other advocates of this doctrine to avoid what he would regard as macroeconomic garbage. For those of us who believe in macroeconomics, the doctrine fails mainly because it does not allow for the effects of lower wages on demand. Henry Neuburger, 21, Northchurch Road, NI.

as though for nothing. This is an issue of human rights and of the quality of life we are seeking to achieve.

It cannot be right for significant elements of a major business to be swapped about merely on the recommendation of a government agency. To do so comes close to the economic manipulations of the corporate state.

We may ask what could be expected to follow such a course of action.

We all know of the many airlines now operating on the routes between Europe and Australia or, for example, between London and the Far East. The suggestion now being made that on the international routes competition does not exist, does not stand up to the facts.

The right of the customer and the proper rights of the employees will be safer in the hands of market forces and open competition. There is no way forward in the further extension of state control. Harold Tucker, Town Hall, Manchester.

ABERCOM GROUP LIMITED

(Incorporated in the Republic of South Africa)

AUDITED INCOME STATEMENT for the year ended 30th June 1984

	1984 R000's	1983 R000's	Per cent change	
CONTINUING OPERATIONS				
Turnover	222 347	208 030	+ 7	
Income before interest payable and taxation	13 303	14 281	- 8	
Interest payable	3 810	4 723	- 19	
Income before taxation	9 493	9 558	- 1	
Taxation	2 433	1 298	+ 87	
Income after taxation	7 060	8 260	- 15	
DISCONTINUED OPERATIONS				
Loss before interest payable and taxation		9 193		
Interest payable		560		
Loss before taxation		9 753		
Taxation		3 931		
Loss after taxation		5 822		
TOTAL OPERATIONS				
Income after taxation	7 060	2 438	+ 190	
SHARES IN ISSUE (averaged 000's)	21 188	20 706		
EARNINGS PER SHARE				
—from continuing operations	33 cents	40 cents	- 17	
—from total operations	33 cents	12 cents	+ 175	
DIVIDENDS PER SHARE	12 cents	16 cents		

While our current overall projections indicate pre-tax profits for the 1984/85 year at slightly higher levels than those of 1983/84, we also project a higher tax rate, and at present therefore expect attributable profit at a similar level to that of the current year.

Balance Sheet

Abercom's financial position strengthened during the past year. Legislation in the UK removing accelerated depreciation allowances to capital expenditure has necessitated an additional provision of some R2.5 million for deferred taxation. This will be reported, in line with UK practice, as an extraordinary item in our annual report. After taking this into account, the group's net worth rose to R86.2 million (1983—R79.2 million) during the year, and borrowings, net of cash, at 30th June 1984 were at 22% of equity (1983—34%). The group employed total assets of R157 million at 30th June 1984 (1983—R151 million). Capital expenditure of R10.1 million took place during the year.

Dividend

In line with our policy of increasing dividend cover, and in view of the current economic uncertainty, the board has declared a final dividend of 6 cents per share (1983—nil). This payment brings the total dividend for the year to 30th June 1984 to 12 cents (1983—16 cents). Dividends will be payable to shareholders registered on the Johannesburg and London registers on 14th September 1984. Dividend cheques will be posted on or about 9th October 1984, those for shareholders on the London register being drawn at the rate of exchange then in force, non-resident shareholders' tax, where applicable, will be deducted. This dividend absorbs R1 289 000.

Annual Financial Statements

The Annual Financial Statements will be posted to shareholders on or about 24th September 1984.

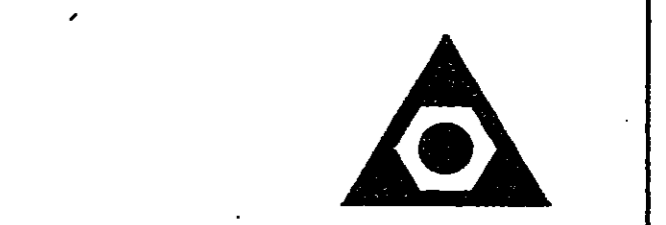
Peter Herbert
Chairman and Chief Executive

Gerald Buckley
Deputy Chairman
20th August 1984

Abercom House, Oxford Park
P.O. Box 782454, Sandton 2146
South Africa

Outcome

The increasingly depressed economic climate makes the immediate outlook for the South African operations difficult to forecast. Abercom depends heavily for its turnover upon activity in the motor industry and the domestic house-building and improvement industry while Consani is largely dependent upon the investment in plant and equipment by the chemical, petrochemical and beverage industries. Increased demand from these sectors is unlikely to occur earlier than mid-1985. The Davidson Group has an order book in excess of R140 million, extending several years ahead, and will continue to perform steadily.





Malcolm Rutherford in Dallas explores the limits of prime-time politics

U.S. television challenges conventions

EVEN BY AMERICAN, possibly even by Texan standards, the Republican convention in Dallas this week is a spectacular...

Dallas, which was quite an attractive city in the first place, has been totally cleaned up for the show.

It was meant to be a television spectacular, too. The Republican managers have devised a new line in convention colours: no blue on the platform.

Television and politics in America also seem to go hand in hand. It is as though nothing can happen unless it is shown on film.

U.S. networks look remarkably like a semi-cartel where no one takes risks. They claim to compete on coverage but it is competition within a very narrow range.

holding discussions and conducting interviews.

Yet there has been a collision of interests between television and the party. At the beginning of televised politics, the American networks followed the conventions closely.

Unlike British party conferences, for example, where the main business tends to end at around 5.30 pm, the Americans don't really get started on the big stuff until around 8 pm - precisely because that is prime viewing time on television.

The Republican convention this week is to have an extreme example. On the face of it, there is no story. It has been known for some time

that Mr Ronald Reagan will run again for President with Mr George Bush as his Vice-President. Even the party platform had been established before the convention began.

The particular argument centres on a 20-minute film about the President's achievements to date, which is due to be shown at the convention tomorrow night, just before he makes his crowning speech formally accepting renomination. The film has been expensively made over the last three years; some of the best names in American advertising have been involved in it, and no doubt it will be superlative professional. But the networks say that if they transmit it, they will be putting out an extended party political broadcast.

The Republicans say that it is simply the introduction to Mr Reagan's acceptance speech. The introduction to Mr Walter Mondale's acceptance speech at the Democratic convention in San Francisco last month was an address by Sen Ed-

ward Kennedy and the networks broadcast that in full. Why should the Republicans be penalised just because they do things differently?

The networks reply that Mr Kennedy is a newsworthy figure in his own right, although the whole incident of the Reagan film has now been blown up so much that it has become news in itself.

It is quite likely that what the networks intend to do with it will not become known until tomorrow night as the film begins to be shown to the convention. (There is a shorter film about Mrs Nancy Reagan due to be shown tonight which might give some indication of their treatment.)

The episode makes one wonder how independent of each other the networks are. There appears never to have been any question, say, CBS going it alone and agreeing to take the whole lot, or of ignoring the proceedings altogether, regardless of what was done by ABC or NBC. It looks remarkably like a semi-cartel where no one takes risks. All three networks placed full-page advertisements in the newspapers in the last few days claiming to compete on coverage, but it is competition within a very narrow range.

The Republicans were very clever by gaining the advance pub-

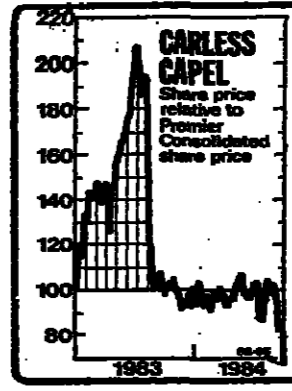
licity for their film, so there is now perhaps some genuine curiosity to see it. Political parties clearly do have influence on what the networks show. No network would dare to say that one reason it was not much interested in the Republican convention during prime time was that it might have gained higher ratings by showing something else.

In a way, the networks have hit back by competing for celebrities. On Monday, CBS showed as little of the proceedings of the convention as it could decently get away with. Instead, it concentrated on interviews with prominent figures. Some were quite striking, for instance former President Gerald Ford saying that Reagan-Bush would be the last all-white, all-male ticket in Republican history and Mrs Bush claiming that she expected to be able to vote for a woman as President in her lifetime.

That, however, should have been for afterwards, the stuff of late-night comment. Television is best at simply recording what is going on as it happens. All those people in their extraordinary hats, and sometimes acting with money, have not come to Dallas simply to be a studio audience. The networks so far have succeeded in making the remarkable look boring by trying to explain it in conventional terms, such as a comparison with Eisenhower being renominated in 1956. Even a walk in the streets among the delegates should suggest that television could do better.

THE LEX COLUMN

Carless talk costs money



At last a takeover bid should make it possible to determine the value of a strategic stake in the Wytech Farm onshore oilfield in southern England. Premier Consolidated Oilfields, of all the Wytech Farm consortium members, has long been the most favoured bid target with the market, which has kept its share price pushing resolutely ahead. But not everything in yesterday's bid arrived quite as expected, least of all the suitor's identity.

To start with, the bidder is already in the consortium: Carless, Capel & Leonard's offer, if successful, would lift its Wytech Farm stake from 7% to 20 per cent. But the proposed deal would produce no obvious tax efficiencies. It comes at an unpropitious moment in the history of the two companies' share prices. And it would involve a huge expansion of Carless's equity, which certainly would seem to leave precious little room for any improvement in the terms to accommodate a hostile response from Premier. Above all, the bid carries no cash alternative and seems on that account alone to have a slender chance of success.

Carless's shares last night closing down 10p at 210p, the bid values Premier at 70p which must represent a modest premium to most City of London estimates of the target asset value. Indeed, a cash bid at about this level would probably have been nipped about right, falling short of the kind of premium paid by Trafalgar House for Candecca but still offering a handsome margin over some of the more conservative valuations round. But even in these circumstances, Carless looks quite the wrong company to foot the bill.

For a competitor with real tax benefits in sight, the value of Premier as a ticket into Wytech Farm could well match this level. Perhaps Carless has a defensive strategy in mind - but there is no guarantee that Carless plus Premier might not still attract a predator or two.

Tate/Brooke Bond

At the outset, the job of defending Brooke Bond against an unwanted offer from Tate & Lyle cannot have looked the easiest corporate finance assignment of the summer. Brooke Bond's recent record had been decidedly lacking in glitter and any immediate hopes which

rested on the tea price explosion of last winter must have been deflated since in the London auction rooms.

Yet the Brooke Bond share price - unchanged at 114p yesterday - remained comfortably out of reach of Tate's offer even before it gained the benefit of a formal defence. Now that the defence is spooling through shareholders' cassette playing equipment - and goodness knows what the institutions are making of a recorded chat between Sir John Cuckney and Richard Bakker - it may seem rather double-edged.

For while pre-tax profits have moved ahead by almost half to an estimated £20m, earnings have not improved anything like so sharply, and the proffered dividend increase of 15.8 per cent suggests Brooke Bond itself may be taking a relatively sober view of future profit growth.

Some of the obvious questions over earnings quality have been at least partly answered. A projection of 3 per cent growth in world demand for tea should keep the market reasonably tight, since there is a limit to the speed at which supply can be brought on stream. Rapid fluctuations around this trend are only to be expected.

On the other hand, tea plantations remain the largest source of profit. The geography of its earnings is not Brooke Bond's strongest suit. While Mollinson Denny has produced a £5m profit after financing costs, at the top of the timber cycle, Brooke Bond has had to concede some loss of market share - and operating profit - in its powerfully branded UK grocery business. Without a white knight, this pic-

ture scarcely justifies the share price. Maybe there really is some-one out there waiting to ride in.

Standard Chartered

The completion of a spanking new headquarters so often brings a loss of direction in the boardroom as to be a running joke for glibulous auditors. Standard Chartered has now obliged by completing a 43-floor head office in Singapore and reporting interim profits for the six months to June which yesterday had the City of London revising its full-year estimates sharply downwards.

Since the Singapore building's financing costs are now being expensed rather than capitalised, the head office itself has knocked about £10m off operating profits about 40 per cent of the floor space has still to be let. A £3m write down of investment assets held through a joint venture has added to the losses in Singapore.

The meagre advance in interim profits from £118.4m to £119.4m also reflected more fundamental problems. The group's UK merchant banking activities being in this category, as do the loss-making U.S. branches which Standard is talking to integrate with its Union Bank subsidiary in California.

Bad debt provisions, meanwhile, have stayed high and prospective pre-tax profits way under £200m must leave the shares looking just a little drab.

Airship Industries

The Airship Industries saga seems to illustrate the sad truth that a good idea will not flourish in this wicked world without equally good marketing to nurture it along. It is, in particular, bad marketing to approach investors with premature promises, and then conspire them with a string of further demands on their purses.

The latest impending call for finance has a familiar ring: one more puff, and the project will be airborne. Despite the best intentions, the company has shown in the past five years that it is no better than anyone else at assessing how much it will cost to reintroduce the airship to the world. But as Mr Alan Bond has made clear, investors have the stark choice of passing the hat round one more time, or letting the project founder.

Convention glee over Democrats

Continued from Page 1

erine Ortega, an obscure government official who signs her name on U.S. banknotes as the country's Treasurer, was not frantically excited. But it was more polished than had once been feared by party leaders.

It was only after she had been asked to perform the task, so as to highlight her Hispanic heritage, that the party realised that she was not a very good orator. The biggest applause was accorded to Mrs Jeane Kirkpatrick, the country's tough-talking ambassador to the United Nations, who is still officially a Democrat. Mrs Kirkpatrick stiffly disavowed the Democratic Party of Mr Mondale, without ever quite crossing the final bridge by opting for full Republican credentials.

The delegates greeted her rapturously as she explained: "This is the first Republican convention I have ever attended."

She said: "I am grateful that you should invite me as a lifelong Democrat - on the other hand, I realise you are inviting many life-long Democrats to join our common cause."

Today's Democrats "the San Francisco Democrats" she said, had deserted the tradition of their party in a "distinct shift" away from the policies represented by Presidents Truman, Kennedy and Johnson. They treated foreign affairs as "an afterthought", behaving less like a dove or a hawk than an ostrich, she declared to her jubilant audience.

Under the last Democratic Administration, "our country slid into deep trouble," Mrs Kirkpatrick said. "The Carter Administration's motives were good, but their policies were inadequate, uninformed and mistaken."

Despite the impression that they are trying to convey in Dallas, the Republicans have not yet actually won this year's election.

Nevertheless, their themes are totally clear: Mr Reagan is the right man for the White House and the Democrats have essentially ruled themselves out of the running by moving too far left. However well they finally manage to perform this week, if they indeed succeed in reasserting themselves neither Mr Mondale nor Ms Ferraro can expect quarter or mercy from the unabashedly conservative delegates who have totally taken control of the Republicans' public image this week.

Agreement on Airship package

BY TONY JACKSON IN LONDON

AIRSHIP INDUSTRIES is to undergo further financial restructuring. Details of the package - to be announced by the end of the week - have been agreed between the British airship manufacturer, and Australian entrepreneur Mr Alan Bond, the chief shareholder. Mr Bond's continued support of the company will be conditional upon other shareholders agreeing to the package.

Airship shares were suspended on the London Stock Exchange two days ago, at a price of 31p. The reconstruction, says the company, "will give shareholders an opportunity to realise their investment at

price levels likely to be substantially below the levels prior to the suspension."

Hambros, the company's financial advisers, commented that "the company's cash needs involve a degree of dilution which is likely to depress the shares."

Through his company Bond Corporation, Mr Bond holds 31 per cent of Airship's shares. The next largest holder is European Ferries, whose chairman, Mr Keith Wickenden, was a major supporter of Airship until his death last year. The remaining shares are spread among some 20 institutions, with large

holders including the Prudential, Orion Bank of Canada and Commercial Union.

Airship said that the package was designed to protect creditors and shareholders and also to keep the company running smoothly. It was stressed, however, that the company had enough cash to continue trading in the meantime and that creditors had no cause for concern.

Airship's 500 model is claimed to be very close to obtaining official certification for transport purposes - a designation which is understood to cover the transport of passengers.

See Lex, this page

Ferraro gets new tax bill

Continued from Page 1

profited from his business in any capacity other than of a normal working wife, and did not even want to know about it, she said.

Ms Ferraro repeated her claim to a Congressional exemption from full disclosure and said that the House Ethics Committee had been fully aware of her case for the past six years. One of the questions still dogging her is whether she was, at least morally, entitled to the exemption, a small-print clause that few members of Congress have ever invoked.

If she and her husband had filed joint tax returns, they would probably have saved \$9,000 to \$7,000, she claimed. She said that she "truly regretted" that the issue had come to dominate the election campaign in the past few days but she showed no bitterness towards the American press.

She hoped that by Sunday, "my birthday," she could start a new year after "getting it all out." It was clear, however, that American tax experts and investigative reporters still planned to spend many more hours picking over the most minute details of her affairs.

The income tax returns of Ms Ferraro and Mr Zaccaro, disclosed on Monday, appeared to depict fairly standard tax payments - if anything on the high side for middle-class Americans. The family's total worth appeared to be about \$3.8m, with about 40 per cent of their joint earnings going to the tax man.

Neither of the two seemed to have taken advantage of the wide array of tax "dodges" that many American taxpayers exploit. It was clear, however, that Ms Ferraro and her husband were part of a property-owning elite.

Ms Ferraro said that she had sold bonds worth \$70,000 on Monday to pay the \$53,459 federal tax bill and added that she stood ready to pay any further tax for which she was found liable.

The accountants, Arthur Young & Co, were employed by Ms Ferraro to prepare her financial statements for Congress.

Political row brews in Brazil

By Andrew Whitley in Rio de Janeiro

A POLITICAL row was gathering in Brazil yesterday over President Jose Figueiredo's threat to take drastic action against the ruling Partido Democratico Social's officials and state governors who do not support St Paulo Mayor, the party's controversial candidate for President.

The President warned that dissident government politicians could face dismissal and state governors representing the PDS would suffer a cut in federal funds if they did not toe the official line.

The tactics represent the outgoing military-led Government's most serious effort to date to ensure the victory of its candidate in next January's indirect presidential elections.

Working UK coal miners fear reprisals after dispute ends

Continued from Page 1

union's president, say the strike would last through the winter. He said: "I am not afraid... I can look after myself and I feel sorry for anybody who tries anything on with me - worse still if they say or do anything to my kids."

In another corner of England, Mrs Irene McGibbon, a Kent miner's wife, is organising a back-to-work movement in this most militant of fields. Her organisation has printed and distributed cartoons of Mr Scargill represented as a donkey with a piece of sharp spine on it and the slogan: "Don't support Violence by Silence!"

Mrs McGibbon said that activists had attempted to infiltrate the group. But she knew they were bogus because they sounded hearty. "The genuine ones all show real fear in their voice."

Mr David Roberts, one of the leaders of the Derbyshire working miners' group, adds an extra twist: fear of reprisals after the strike is settled. "It's not so much the picket lines... it is after... because you see, down pits, accidents can and do happen."

The 180 men who crossed picket lines on Monday in those areas which form the core of the strike - Yorkshire, the North-east, South Wales, Scotland and Kent - will be unlucky if they have to face a worse period in their lives.

By their actions, they invite the detestation of a substantial part of the communities in which they live.

Perhaps worse, they attract physical violence from those who feel they can "legitimately" offer it because of that detestation.

It is not readily appreciated outside mining areas how deep the taboo is on crossing picket lines in most of those areas - which makes the action of these men the more remarkable.

Early in the dispute, the South Wales area of the NUM published a graphic leaflet. It contained a photograph of three thin-faced miners walking in to work in 1929 at the head of a column of heavy-looking policemen. On either side of the road, faces stared out of windows while men - presumably other miners - lined the pavement. Below is reprinted: "Jack London's definition of a Scab" (from his novel, The Iron Heel). It concludes: "A strike-breaker is a traitor to his God, his country, his wife, his family and his class. A real man never becomes a strike-breaker."

London accurately caught the feeling in picket lines up and down the country, men with faces contorted and vicious in hate, hurled abuse, and missiles, at the strike-breakers and the police who guard them. Whenever they are asked why they hate the working miners so, the answers are the same: "Bastards... vermin... traitors to the union."

Those who wish to take on all that weight of hate need a belief of their own with which to counter it. They are finding it in a reassertion of the virtues of democracy.

The NUM has traditionally trusted its members. Picket lines (in which nearly all participate) elect all leading officials and sanction internal strikes. Mr Scargill's new left leadership has done badly in ballots since he became president, losing two out of two. Convinced, however, that it must use the union's industrial strength to counter National Coal Board closure plans, the leadership imposed this dispute area by area (area strikes do not need ballot votes) hoping to build to a national ballot. It failed, and that failure, together with the refusal to hold a national ballot, gives the anti-strike militants a cause, an ideology and a rallying call.

Mr John Liptrout, one of the leaders of the Nottinghamshire working miners, a lifelong Labour activist and union man, says: "People in this country must learn what it is all about; it is about democracy. I

am fighting to save this union because it is the best, most democratic union that ever was. Arthur Scargill is ruining it but we are going to win it back."

Nottingham is the heart of counter-revolution. "Safe bases" from which the working militants can plan future action, contact back-to-work groups in other fields and spread the word.

Mr Ken Foulstone, one of the area's working miners, is a witty man and one of his asides sheds light on the kind of resentment on which non-ideological miners like himself now feed.

He says that under a dispensation negotiated by Mr Scargill when president of the Yorkshire area, miners wishing to take union offices are granted day release to take classes at Sheffield Polytechnic - and what they do there, they get a straw and stick it in their ear and blow their brains out, then blow red ink in there.

"You can tell them that's been because when they walk the wind whistles through the holes in their heads where their brains have been," he says. "They went as real, feeling lads who thought they'd do some good in the industry... and came back with all them Trotsky ideas."

Many of the working miners speak in apocalyptic terms. Mr Foulstone says, in so many words, that he would rather be dead than red. The NUM president's fundamentalism has called forth a fundamentalist response from such people and that should make Mr Scargill pause to think. For what he has done is to create a new generation of anti-left militants - many of them comparatively young men, in their 30s, who have learned to organise, speak, give interviews and handle pressure, and who may develop a taste for carrying on after the strike ends.

The NUM leadership is far from beaten. In the strikebound fields fewer than 200 men are working, most of those in Scotland. However, they may decide to play it, the working miners are now a feature on the industrial landscape, tested in fear and adversity, vaguely held beliefs sharpened and brought to the front of their minds by the sheer ferocity of the opposition they meet.

They are Arthur Scargill's greatest danger. His enemy within.

World Weather

Table of world weather data including cities like Athens, Algiers, Ankara, etc. with columns for temperature and weather conditions.

Vertical advertisement for a company, possibly related to the Lex Column, with various international office locations listed.



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday August 22 1984



WALL STREET

The summer rally takes strong hold

THE SUMMER rally among Wall Street stocks returned in full vigour yesterday, sending blue chips surging to their best levels since the market began its recovery a month ago, writes Terry Byland in New York.

There was a substantial increase in turnover with heavy trading in large blocks of shares indicating the presence of the major institutions. Stock prices turned higher at the end of the first hour and continued to soar ahead until early in the afternoon when the Dow average was showing a gain of more than 25 points.

The Dow 1240 level proved a resistance point, and profit-taking trimmed some gains. However, the market was moving up again at the close.

The Dow Jones industrial average ended a net 22.75 points up on the day at 1,239.73 - within 30 points of the all-time peak reached last November.

Turnover, at 126.6m shares, rocketed by 43 per cent from Monday's level, to levels not seen since the market began to surge a fortnight ago.

The bond market also brightened at the end of the day, but interest remained subdued.

The market was led forward by IBM, which added 5 1/4% to \$124 1/4 at mid-session, when the buyers entered the market in force. Also strong were stocks in the Wall Street trading houses, which will benefit from higher prices and increased turnover in the securities markets.

No specific factor was credited with yesterday's upturn, although the successful raising of 222m by Financial Corporation of America (FCA), by its sale of 7m shares in American Express, eased some tensions in the financial sector. Short-term rates remained firm, driven by a federal funds rate of 11 1/2% per cent, while the bond market was firm but sluggish as the meeting of the Federal Open Market opened in Washington.

Analysts commented that the surge in stocks was a continuation of the bullish phase, rather than a new turn in confidence. Since the Dow touched 1,294 on August 9, the market has been consolidating. Now, following indications from retail sales and housing starts that the economy is slowing, the stock market is looking for a renewed fall in interest rates.

With investors relieved that the stake held by FCA has been satisfactorily sold, stock in American Express jumped 3 1/2% to \$33 in heavy trading. Close behind on the active stocks list was FCA which added 5/8% to \$8. The market took little heed of a downgrading of FCA debt by Standard and Poor's.

At noon, large block trades - defined as comprising 10,000 shares or more - totalled 1,148 compared with only 609 at midday on Monday. The list featured trades in IBM, Ford, Eastman Kodak, Hewlett-Packard, Phibro-Salomon and Minnesota Mining.

Carnation, the tinned milk and packaged food group, jumped 1 1/4% to \$7 1/4 in heavy turnover, although the board knew nothing to substantiate rumours that a bid is planned, either by Nestlé of Switzerland or by Kohlberg Kravis Roberts, the management buyout specialists. Family interests hold one third of the Carnation equity, and there have been persistent hints that some individuals plan to sell out.

Also active was Mite!, the telecommunications group, which has been weak against a background of trading losses. At 57 1/2, it gained 5/8, with other telecommunications issues also firm.

The credit markets yesterday faced the meeting of the FOMC and also the Treasury's plans to auction five-year securities, and today will bring the sale of \$5.5bn in two-year notes.

Treasury bill rates edged higher in thin trading, but rates in the commercial money markets were a shade easier. Interest in the bond market was thin, with the key 2014 long bond just 1/2% ahead at 100 3/4%.

EUROPE

Foreigners back busily as buyers

TRADING activity showed a marked revival on the European bourses yesterday as foreign buyers were identified in sizeable numbers for the first time in some weeks.

Interest from abroad extended to shares in Switzerland and Sweden, neither of which markets has been in much favour this year. The busier dealings did not bring uniform advances throughout the Continental centres, though, as profit-takers were never far from sight.

Early Frankfurt firmness began to be eroded towards the close, and even the strong results from Hoechst could not prevent a DM 1 dip in its price to DM 168.80. This still left more than half of Monday's DM 2.90 rise intact, however.

The day's sharpest movement again came from Allianz, which at DM 832 surrendered DM 25 of Monday's DM 45 gain after the insurer put paid to speculation of a stock split. Munich Re, its associate shed the same amount at DM 1,025.

Banks were little changed, stores firm and car makers weak - with the exception of Porsche, DM 1 better at DM 976. Nixdorf Computer, the market's other recent arrival, put on the same at DM 507.

A steady domestic bond market allowed the Bundesbank to unload DM 12.3m in paper.

Foreign buyers in Amsterdam selected Royal Dutch, Fl 3.80 higher at Fl 161.20 on expectations of higher crude oil values. Akzo and Philips, each 60 cents firmer at a respective Fl 81.40 and Fl 49.70, and insurer Nat Ned, Fl 1.50 ahead at Fl 225.50.

Better than most were Ned Mid Bank, up Fl 3.80 to Fl 137.80, and shipper Nedlloyd, with a Fl 4.30 jump to Fl 112.80.

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Zurich, which had begun to attract foreign attention on Friday, showed a mixed outcome - the Swiss Bank industrial index moved 1.9 lower to 880.3, but chocolate makers Nestlé and Lindt improved SwFr 20 to SwFr 5,440 and a sharper SwFr 350 to SwFr 10,950 respectively.

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Domestic bonds were active but mixed. Utilities lagged in a firmer Madrid.

TOKYO

Blue chips retreat but steels bright

AN UNEXPECTED modest rise on Wall Street overnight drove many investors to the sidelines and share prices sharply lower in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press.

Blue chips paced the downswing, while biotechnology issues and large-capital steels fared relatively well.

The Nikkei-Dow market average fell 47.38 to 10,485.97, the first drop in four trading sessions. Volume, however, increased from 178.11m shares to 244.19m. Losses outpaced gains by 391 to 299, with 163 issues unchanged.

Monday's 5.08 rise in the Dow Jones industrial average came as a disappointment to investors and triggered small-scale selling of blue chips in Tokyo.

TDK shed Y80 to Y5,590, Kyocera Y30 to Y8,150 and Matsushita Electric Industrial Y20 to Y1,680. But Hitachi gained Y1 to Y850, and Toyota Y10 to Y1,450.

Foreign investors' buying of Japanese stocks through four major securities companies outran selling by 21.5m shares to 13m, according to Daiwa Securities. Demand focused on large-capital steels, aimed at exchange gains from the yen's possible rise against the dollar.

Nippon Steel headed the list of 10 most active stocks, with 18.85m shares changing hands, and closed the day at Y156, up Y1. Kawasaki Steel rose Y181, and Sumitomo Metal Industries Y2 to Y162.

Incentive-backed issues were also traded actively with buying interest reviving in Kuraray, a popular biotechnology issue. It added Y17 to Y829. Ajinomoto Y10 to Y1,250 and Morinaga Y22 to Y558. Stanley Electric jumped Y99 to Y876 on the strength of increased demand for high-luminescence light emitting diodes and on active foreign buying.

Mitsui Mining and Smelting, the third most active stock with 5.41m shares traded, surged Y34 to Y499 on rumours of a gold vein discovery.

Riccar, which applied to the Tokyo District Court for receivership under the Corporate Rehabilitation Law on Monday, was the second most active stock with 7.23m shares changing hands. The issue lost Y11 to Y25.

Bond prices eased, with securities companies increasing selling for inventory adjustment. The yield on the benchmark 7.5 per cent government bond, maturing in January 1993, edged up from 7.21 per cent to 7.24 per cent.

Brokerage house traders were optimistic about the outlook for the bond market, saying that prices would not plunge for the time being as city banks showed buying intentions at levels slightly lower than prevailing yields.

CANADA

PRICES moved higher across the board in Toronto despite weak trading volume. Golds, oils, metals and transport stocks posted the strongest gains.

The firmer tone was mirrored in Montreal with banks performing better than utilities and industrials particularly weak.

LONDON

Lift comes from docks peace hope

HOPES that a national docks strike could be averted gave London markets a lift, with investors also taking comfort from the firmer tone emerging in New York.

Turnover in government issues and industrials remained low, but renewed selective demand ensured some improvement on Monday's level, which many traders described as the lowest for months.

More favourable futures market indications, along with a stable sterling/dollar exchange rate, encouraged support for government securities. Longer-dated stocks benefited most, closing up 3/4 in some instances.

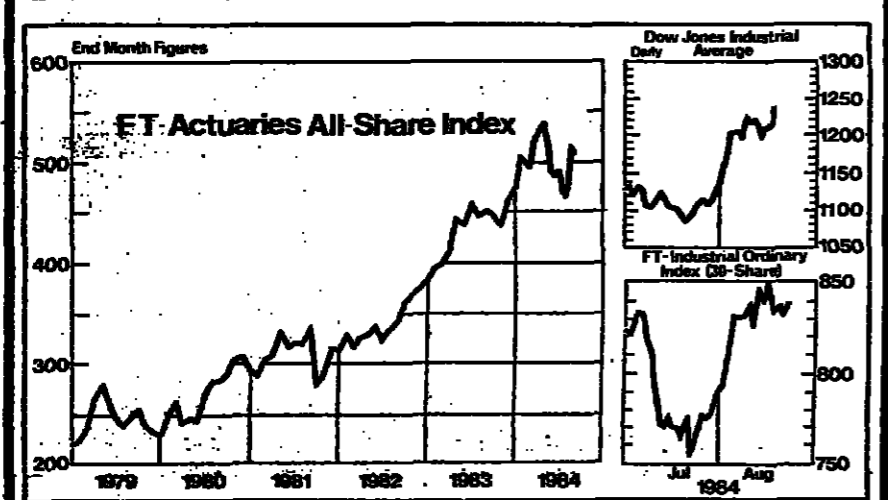
Selected blue-chip industrials achieved above average gains. Distillers jumped 9p to 301p amid speculation that GEC was increasing its share stake.

Speculative oils were active following Carless Capel's bid for Premier Consolidated Oilfields. Premier closed 13p higher at 73p, while Carless was off 10p at 210p.

The FT Industrial Ordinary index added 0.7 to 839.9. Australian shares closed firmer after what dealers felt was a bullish federal budget.

Chief price changes, Page 20; Details, Page 21; Share information service, Pages 22-33

KEY MARKET MONITORS



STOCK MARKET INDICES

	Aug. 21	Previous	Year ago
NEW YORK			
DJ Industrials	1,239.73	1,216.98	1,194.21
DJ Transport	526.95	512.46	533.73
DJ Utilities	130.99	128.80	130.88
S&P Composite	167.83	164.94	163.89
LONDON			
FT Ind Ord	839.9	833.2	724.0
FT-SE 100	1,082.4	1,074.4	1,000.7
FT-A All-share	510.84	507.38	439.07
FT-A 500	522.89	518.76	498.43
FT Gold mines	582.6	573.9	688.2
FT-A Long grt	10.50	10.56	10.56

CURRENCIES

	Aug 21	Previous	Aug 21	Previous
(London)				
US	-	-	1.313	1.318
DM	2.885	2.868	3.7875	3.7825
Yen	242.15	240.95	318.0	317.5
FF	8.855	8.806	11.6325	11.6175
SwFr	2.4085	2.395	3.1825	3.1575
Quinlar	3.254	3.230	4.2775	4.2675
Libra	1784.0	1775.0	2343.0	2340.5
BFr	58.225	57.925	78.55	78.4
CS	1.30225	1.30175	1.7105	1.7165

INTEREST RATES

	Aug 21	Prev
Euro-currencies		
(3-month offered rate)		
£	10 1/2%	10%
SwFr	5%	4%
DM	5%	5%
FF	11 1/2%	11 1/2%
FT London interbank fixing		
(offered rate)		
3-month U.S.S	12	11 1/2%
6-month U.S.S	12 1/2	12 1/2%
U.S. Fed Funds	11 1/2	11 1/2%
U.S. 3-month CDs	11.55	11.45
U.S.-3-month T-bills	10.43	10.425

U.S. BONDS

	August 21	Prev	Yield	Price	Yield
Treasury					
12% 1986	100 1/2%	12.37	100 1/2%	12.37	
13% 1991	104 1/2%	12.57	104 1/2%	12.70	
13% 1994	99 1/2%	12.63	99 1/2%	12.66	
13% 2014	100 1/2%	12.38	100 1/2%	12.40	
Corporate					
AT & T					
10% June 1990	89%	12.35	89%	12.56	
3% July 1990	71.00	10.50	71.00	10.50	
8% May 2000	71%	13.00	71%	13.00	
Xerox					
10% March 1993	87%	13.15	87%	13.15	
Diamond Shamrock					
10% May 1993	86%	13.25	86%	13.25	
Federated Dept Stores					
10% May 2013	90.342	13.30	90.342	13.30	
Abbott Lab					
11.80 Feb 2013	89.00	13.30	89.00	13.30	
Alcoa					
12% Dec 2012	89.00	13.80	89.00	13.80	

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Sept	85-23	86-22	85-05	86-10
U.S. Treasury Bills (TMM)				
\$1m points of 100%				
Sept	89.81	89.81	89.75	89.83
Certificates of Deposit (CME)				
\$1m points of 100%				
Sept	88.54	88.49	88.43	88.48

LONDON

	Aug 21	Prev	Year ago	
WORLD				
Three-month Eurodollar				
\$1m points of 100%				
Sept	88.34	88.38	88.30	88.38
30-year National Debt				
£50,000 Bonds of 100%				
Sept	105-09	105-11	105-07	105-14

COMMODITIES

(London)	August 21	Prev
Silver (spot fixing)	589.90p	590.00p
Copper (cash)	£1,015.00	£1,012.25
Coffee (Sept)	£2,348.50	£2,332.50
Oil (spot Arabian light)	\$27.85	\$27.62



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De Beers

Interim Report and Declaration of Dividend

The following are the unaudited consolidated results for the half-year ended 30th June 1984 together with the comparative figures for the half-year ended 30th June 1983, and for the year ended 31st December 1983.

	Half-year ended 30.6.84	Half-year ended 30.6.83	Year ended 31.12.83
Diamond account	185.5	188.9	430.2
Investment income	108.8	101.9	161.7
Other interest	32.4	35.0	66.7
Share of retained profits after tax of associated companies	161.8	93.3	226.8
Net surplus on realisation of investments	3.1	7.4	7.5
Surplus on realisation of fixed assets	-	0.1	-
	492.6	383.6	862.9

	30.6.84	30.6.83	31.12.83
Prospecting and re-search	33.8	26.4	56.5
General charges	5.0	4.5	9.2
Interest payable	46.2	32.1	73.2
Amount written off investments and loans	3.5	0.5	1.7

	30.6.84	30.6.83	31.12.83
Profit before tax	404.1	329.8	752.3
Tax	59.4	65.2	157.0
State's share of profit under mining leases	2.2	7.3	8.4
	61.6	72.5	165.4
Profit after tax	342.5	267.3	586.9
Profit attributable to outside shareholders in subsidiaries	21.7	16.5	54.9
Dividends on preference shares	0.9	0.9	1.8
	22.6	17.5	56.7

	30.6.84	30.6.83	31.12.83
Net profit attributable to deferred shareholders before extraordinary items	319.9	239.8	530.2
Share of extraordinary profits of associated companies	63.5	(16.1)	5.7
	383.4	223.7	535.9
Dividends on deferred shares	45.0	45.0	143.9
Retained profit	338.4	178.7	392.0
Earnings per deferred share before extraordinary items:			
Excluding share of retained profits of associates	43.9c	40.7c	84.3c
Including share of retained profits of associates	88.9c	66.7c	147.4c
Dividends per deferred share:			
Interim	12.5c	12.5c	12.5c
Final	27.5c	27.5c	27.5c

Note:

It should not be assumed that the results for the half-year ended 30th June will be repeated in the half-year ending 31st December, since income does not necessarily accrue evenly throughout the year.

BORROWINGS

At 30th June 1984 short and medium term borrowings were R787 million and other net current assets R540 million, compared with R847 million and R349 million respectively at 31st December 1983. Long term borrowings were R20 million at 30th June 1984 compared with R21 million at 31st December 1983. These figures exclude R200 million redeemable preference shares issued by subsidiary companies in 1982.

INTERIM DIVIDEND

Declaration of Dividend No. 129 on the Deferred Shares On 21st August 1984 dividend No. 129 of 12.5 cents per share (1983: 12.5 cents) being the interim dividend in respect of the year ending 31st December 1984 was declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 28th September 1984 and to persons presenting coupon No. 73 detached from deferred share warrants to bearer.

A notice regarding payment of dividends on coupon No. 73 detached from share warrants to bearer, will be published in the Press by the London Secretaries of the Company on or about 21st September 1984.

The deferred share transfer registers and registers of members will be closed from 29th September 1984 to 12th October 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 1st November 1984.

Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 1st October 1984 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Company's transfer offices in Johannesburg or the United Kingdom on or before 28th September 1984.

The effective rate of non-resident shareholders' tax is 12.44

SIEMENS

Information for Siemens shareholders

Further vigorous rise in capital spending

Increased new orders, a robust 29% rise of capital expenditure and investment to £364m, and somewhat improved overall

New orders

With new orders of £9,585m worldwide, Siemens improved on last year's comparable figure by 3%. Disregarding power plant business, which contributed several major orders to last year's total, third-quarter growth in new orders was as high as 9%. German domestic orders again rose to £4,807m. Excluding power plant business, this is equivalent to a 13% increase. International orders were up 6% to £4,778m. A decline in orders from the oil and raw materials producing countries was

employment marked the first nine months of the current financial year of Siemens AG.

offset by sizable increases from the industrial countries of Europe and, more notably, the United States. Electronic products and systems figured significantly in these gains, dominated by components with over 40% more orders.

in £m	1/10/82 to 30/6/83	1/10/83 to 30/6/84	Change
New orders	9,297	9,585	+3%
Domestic business	4,800	4,807	0%
International business	4,497	4,778	+6%

Sales

Worldwide sales rose 7% above last year's comparable levels, attaining £7,975m. This growth was generated primarily by German domestic business, which rose 11% to £3,686m. By contrast, international business increased 3%. In sales, too, the Components Group showed the highest growth with an increase of 20%.

Siemens anticipates an annual sales increase of more than 10% over 1982/83 to approximately £12bn for the current financial year.

in £m	1/10/82 to 30/6/83	1/10/83 to 30/6/84	Change
Sales	7,488	7,975	+7%
Domestic business	3,312	3,686	+11%
International business	4,176	4,289	+3%

Orders in hand

Orders in hand grew 10% to £16,711m. With the pickup of business in many sectors, inventory rose to £5,817m (last year: £4,794m).

in £m	30/9/83	30/6/84	Change
Orders in hand	15,235	16,711	+10%
Inventory	4,794	5,817	+21%

Employees

As order trends improved, employment stabilized in many Siemens manufacturing facilities. However, not all operating groups have benefited equally. At 313,000, the number of Siemens employees worldwide was the same as on 30 September 1983. The number of employees in the Federal Republic of Germany and Berlin (West) dropped 1% to 210,000, but this was due solely to the seasonal loss of temporarily employed students and trainees. Adjusted for this seasonal factor, the size of the German work force increased by 2,000. Siemens' employment abroad also rose by 2,000 employees, due largely to the first-time inclusion of several new companies.

While the average number of employees fell 1% to 312,000, employment cost rose 5% to £3,436m.

in thousands	30/9/83	30/6/84	Change
Employees	313	313	0%
Domestic operations	212	210	-1%
International operations	101	103	+1%

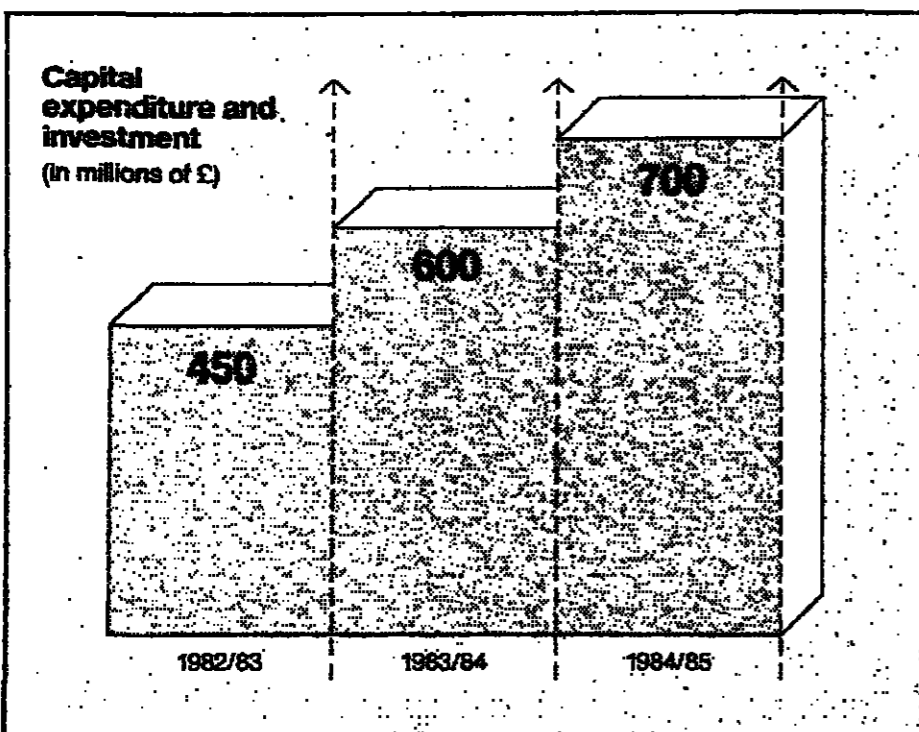
	1/10/82 to 30/6/83	1/10/83 to 30/6/84	Change
Average number of employees in thousands	316	312	-1%
Employment cost in £m	3,257	3,436	+5%

Net income

Net income after taxes was £170m (last year: £143m). The net profit margin was thus 2.1% as against 1.9% for the comparable period last year.

in £m	1/10/82 to 30/6/83	1/10/83 to 30/6/84	Change
Capital expenditure and investment	261	364	+29%
Net income after taxes	143	170	+19%
in % of sales	1.9	2.1	

All amounts translated at Frankfurt middle rate on 29/6/84: £1 = DM 3.7670.



Siemens boosts capital spending

During the current 1983/84 financial year ending 30 September, Siemens will invest some £600m in new products and production systems, or nearly 30% more than in the preceding year. A further £100m increase to £700m is planned for the coming financial year. Together with the expenditure for research and development and for the training and continuing education of personnel, funds invested for the current financial year will total £1.7bn, more than in any previous year. Intended to safeguard growth opportunities and competitive strength in the future, this investment is equivalent to 15% of sales.

Siemens AG

In Great Britain: Siemens Ltd.
Siemens House, Windmill Road, Sunbury-on-Thames
Middlesex, TW16 7HS

INT. COMPANIES and FINANCE

Carless baits hook for former UK oil ally

BY DOMINIC LAWSON IN LONDON

CARLESS Capel & Leonard's £104m (\$137m) bid for one of its colleagues in the UK independent oil company sector, Premier Consolidated Oilfields, marks the outbreak of hostilities between former allies. The two companies fought together for more than two years as part of the Dorset Bidding Group which in May succeeded in buying British Gas's 50 per cent stake in the Wyth Farm oilfield, the largest onshore oilfield in Europe. Premier's newly-acquired 12.5 per cent stake in the 200m barrel oilfield transformed the company, which previously had no major long-term source of oil production. It seems, however, that Mr John Leonard, Carless's chairman and chief executive, was only too well aware of the value of the deal for Premier's counterpart. A week after Mr Roland Shaw, Premier's chairman, announced the £55m project finance loan that would pay for the Wyth stake, Carless has moved.

The contrast between the two company chairmen could hardly be more marked. Mr Shaw is an American who learned about the oil business at the Dallas school of hard knocks. Mr Leonard, on the other hand, will tell you that his grandfather bought the business of Carless Capel in 1872. It went public in 1981, valued at £5m. Now it is capitalised at about £100m. The two men have known each other for many years and, despite yesterday's events are still friends. According to Mr Shaw the two originally got together "in a smoke-filled Dublin hotel room about 10 years ago" to talk about merging their companies. The result of their efforts would then have been worth about £10m. Yesterday's proposal from Mr Leonard, on the other hand, would create an oil company worth more than £200m on paper. Mr Leonard has offered Mr Shaw a seat on the board of a future joint company if the Premier chairman

recommended the bid to his 20,000-plus shareholders. Mr Shaw turned down the offer. The idea of Premier Consolidated Oilfields without Mr Shaw is difficult to contemplate. When he joined the company in 1971, the year that Carless went public, it was little more than a shell operation with interests in some rapidly depleting Trinidadian oilfields. Mr Shaw took the company into the North Sea, the U.S. and more exotic areas such as offshore Sicily, Ireland and the Sudan. It is partly this mix of Premier's interests which attracted Mr Leonard, whose cautious nature respects the hedging of bets implicit in geographic diversity. One irony of the situation is that Carless Capel has been the subject of sustained takeover bids. Mr Shaw said yesterday: "Leonard is doing this to defend himself from being taken over by Enterprise Oil."

Lex, Page 18

Elkem's first-half profits soar

BY FAY GJETER IN OSLO

HALF-YEAR results of Elkem, the Norwegian metals, mining and manufacturing group, are better than expected. Profits, amounting to Nkr 282m (\$34m) compared with only Nkr 1m in the same period last year, and Nkr 159m for the whole of 1983. The directors now expect results for the full year to be substantially better than the previously forecast figure of Nkr 320m. The marked improvement on the previous reflects good market conditions for aluminium and ferro alloys. Elkem's two most important products, Demand and prices for aluminium and silicon metals

levelled off towards the end of the half-year, but ferro alloys have shown "a consistent upward trend so far this year," the company says. Results were varied in other areas of operations—steel, engineering, finished products and mining. Restructuring measures had "a positive effect" but revenues from these sectors, on the whole, were "still not at a satisfactory level." Group liquidity is described as good, due partly to increasing profitability and partly to the injection of Nkr 160m of new equity in March, in connection with a share issue. Repayment of short-term loans in foreign currencies strengthened Elkem's financial position, and

financial costs in the half-year, at Nkr 117m, were about 25 per cent lower than in January/June, 1983. Elkem and the Jepsen shipping group recently bought two ferro alloys plants and a hydro electric power plant in Canada from Union Carbide, in accordance with the option acquired in 1981 when a group of Norwegian investors purchased Union Carbide's five ferro alloy plants in the U.S. and Norway. The half-year report from Elkem reveals that \$330m (US\$25.4m) was paid for the plants, plus about \$87m for stocks. The purchase was financed through a credit arrangement on satisfactory terms to the buyers.

Rennies pays 96 cents for 18 months

By Jim Jones in Johannesburg

RENNIES, the South African shipping, hotels and trading group, earned an operating profit of R75.9m (\$49.3m) before interest and tax in the 18 months ended June, 1984. Turnover totalled R630m. The result, says Mr Charles Fiddian-Green, the chairman, is not strictly comparable with those of earlier periods. The Rennie's casino interest were merged with those of Southern Sun Hotel group to form Sun International, in which Rennie's has a 38.5 per cent interest. When this merger was completed last September, Rennie's deconsolidated the casino side and took in its share of Sun International's profits. Group earnings for the 18 months were 204.9 cents a share, from which a total dividend of 96 cents a share has been declared. Mr Fiddian-Green says that the shipping, forwarding and bulk loading operations were affected by reduced imports and exports. However, these operations were counterbalanced by a strong performance from the security operations which left the attributable profits of the shipping division little changed. The Holiday Inns hotel chain earned a significantly higher profit on an annual basis. For the 12 months to end-June 1984, earnings equalled 153.5 cents a share against 121 cents for the previous 12 months. Dividends for the latest 12 months totalled 78 cents a share, against 60 cents for the previous year.

Merchant bank for Finland

By Lance Keyworth in Helsinki

SELFINA Financial Services has begun trading in co-operation with Erik Selin, stock-brokers. It will deal in securities quoted on the Helsinki stock exchange, and offers a broad range of merchant banking services, the first company in Finland to do so. Danske Bank, Denmark's largest commercial bank, has applied for permission to open a branch in Hamburg, writes Hilary Barnes in Copenhagen. This would make it the first major Danish bank to enter the West German market.

Hamburg bank loses licence

WEST BERLIN—The West German Banking Supervisory Office has withdrawn the banking licence of the Hamburg-based Bankhaus Martin Friedburg and Co. The Banking office said that the bank had an end-1983 balance sheet total of DM 400,000 (\$139,000). The withdrawal of the licence was necessary since there were no longer two senior bankers to monitor its business as required in German banking law. The bank's business centred on the administration of credit claims. It had not conducted any deposit business for several years, the statement added. Reuter

Base Rate Change

BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 22nd August, 1984 and until further notice their Base Rate for lending is 10½% per annum. The deposit rate on all monies subject to seven days' notice of withdrawal is 7¼% per annum.

Base Rate

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announces that from 21st August 1984 its base rate is changed from 11% to 10½% p.a.

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Maturity 30th September, 1985. Callable in September, 1984

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22nd August, 1984

By: Swiss Bank Corporation International Limited, Agent Bank- Reuter

INTERNATIONAL COMPANIES and FINANCE

Ice cream vendors in Sweet Victory

By David Blackwell in New York
TWO New York women are doing a roaring trade in ice cream by catering to those Americans who feel bitter about having to give up their favorite desserts for the sake of their figures.

Their shop - Sweet Victory - opened in five premises in midtown Manhattan at the end of June and they claim that business, unlike their customers, is expanding rapidly.

We aim to make the things that are bad for you good for you, explained Ms Lisa Maguire, operations manager.

Their policy is to sell ice creams, cookies, candy and desserts which taste as good as any others, but which have far fewer calories, less fat and less cholesterol. Even the weak-willed can triumph, they say.

Between 5,000 and 7,000 customers a week spend an average of \$3 each at the shop. Most of them go for the Glacee-like ice cream, made on the premises every day with skimmed milk.

Another line which sells well is the Frost Bites, also a Sweet Victory recipe made on the premises.

Sweet Victory plans to open two more stores in Manhattan by the winter, before expanding into a franchise business.

LTV to lay off 250 staff

CLEVELAND - LTV, the major U.S. steel company, said it will lay off 250 staff in early September at the seamless pipe stretch reduction line in its Campbell works near Youngstown, Ohio, and at associated finishing units.

The company said it is taking the action due to rising imports of tubular products.

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Deere boosted by tax gain in third quarter

BY OUR NEW YORK STAFF

DEERE, the leading U.S. farm and industrial machinery manufacturer, had net profits for the third quarter of \$29.4m or 43 cents a share.

Both the third-quarter and nine-month figures include a \$28.5m gain from tax adjustments.

At the nine-month stage, net profits were \$70.8m or \$1.04 a share, compared with a loss of \$34.7m last time.

The total effect of the tax adjustment, life benefits and an \$8.1m patent infringement settlement amounted to 82 cents a share in the nine months, against 35 cents, and in the quarter the benefits represented 50 cents a share against 22 cents.

Sales for the quarter rose by 4 per cent from \$965.5m to \$1bn, and for the nine months by 10 per cent from \$2.9bn to \$3.2bn.

Mr Robert A. Hanson, chairman, attributed the nine-month turnaround to increased volume, improved manufacturing efficiency,

and continuing cost reduction efforts. However, our results continue to suffer from low levels of capacity utilisation," he said. Difficult and uncertain conditions in the group's industries led it to expect that production schedules and earnings for the rest of the year and into 1985 would remain "under severe pressure", Mr Hanson said.

Deere also said that, because of the current level of combine inventories, it was closing its farm equipment plant in East Moline, Illinois for 41 days in November and December.

Strong gains for U.S. toy retailer

BY OUR NEW YORK STAFF

TOYS R US, the leading U.S. toy retailer, has announced strong advances in both the second quarter and the first half.

Earnings for the quarter rose from \$1.1m or 12 cents a share to \$11.8m or 20 cents a share, and for the half from \$12.5m or 22 cents a share to \$21.2m or 37 cents a share.

Sales were also well ahead, rising from \$213.9m to \$263.6m in the quarter, and from \$395.7m to \$541.2m in the half.

Mr Charles Lazarus, chairman and chief executive, said the gains reflected "our continued success in

expanding our share of the traditional toy retailing market." The company's toy sales rose by 23.5 per cent in the quarter, and by 22.9 per cent in the half.

Mr Norman Ricken, president and chief operating officer, said expansion plans were on target. About 30 additional Toys R Us stores, including four in Canada, are scheduled to open in the autumn, when the group will also open its first store in Singapore.

The company also plans to open between 15 and 20 Kids R Us children's clothing stores in the U.S. next year.

Fagersta surges in first half

By David Brown in Stockholm

FAGERSTA, the Swedish special steels group which is rapidly restructuring into a diversified industrial and investment group, had pre-tax profits of SKr 118.6m (\$14.2m) for the first six months of the year, compared with a loss of SKr 4.4m a year earlier.

The improvement is largely due to the group's extensive rationalisation activities. The result includes a SKr 32m extraordinary income from the sale of its stainless steel activities as part of a broad restructuring of the Swedish stainless steel industry.

The group's largest operating areas after restructuring are rock drilling (Secorec), reinforced steel bars (Forsko) and car sales (Swenska Motor).

PHAROS, the Swedish electronic equipment maker, saw pre-tax profits surge in the first half to SKr 44m (\$5.3m) from SKr 14m in the comparable 1983 period. Included in the result is an extraordinary gain of SKr 27m from the sale of investment shares.

Westland Utrecht stages recovery

By Walter Ellis in Amsterdam

WESTLAND-UTRECHT Hypotheekbank, one of the leading Dutch mortgage banks, which was rescued from possible collapse six months ago by Nationale Nederlanden, the insurance group, has reported a net profit of Fl 4.2m (\$1.3m) for the first six months of this year.

In 1983 it recorded a loss of Fl 14.7m to the end of June and a deficit for the year of Fl 50m. The bank is confident that a profit can be achieved for 1984 as a whole.

Operating profit to June came to Fl 20m - twice the corresponding figure for last year - and Fl 15m was transferred to provisions against debt against the previous total of Fl 20m.

Nationale Nederlanden has an entitlement under the terms of its intervention last year to a maximum of Fl 10m in respect of each year's net result.

Westland-Utrecht has restructured since March, selling most of its property interests and concentrating on its primary business of providing mortgage loans.

At current market prices, Kerr is capitalised at about \$40m.

Fortune seeks merger with North Star group

BY LOUISE KEHOE IN SAN FRANCISCO

THE HIGHLY competitive environment of the microcomputer industry has not been kind to Fortune Systems and North Star Computers, two California-based makers of multi-user microcomputer systems, but by combining their strengths and, they hope, discarding weaknesses the companies aim to weather the storm caused by AT&T's and IBM's recent announcements of products which compete directly with those offered by both Fortune and North Star.

Fortune Systems announced this week that it was discussing a possible merger with North Star. Fortune has already loaned North Star \$3.75m and now proposes to acquire North Star for 4m of its shares, worth about \$13m. Alternatively, the loan may be converted into a 19

per cent holding in North Star. Fortune was founded three years ago with one of the biggest venture capital packages yet, and boosted by one of the largest initial public offerings last year. It has not lived up to its name, however. The maker of multi-user business microcomputers lost more than \$15m last year. This year it has returned to marginal profitability with a new management team.

Fortune is cash rich, with more than \$50m in the bank according to the March 1984 figures, but is still struggling to live down the negative impressions left by the poor performance of its early products.

North Star, in contrast, is one of the "old-timers" of the personal computer industry. It has a reputation for solid technology and has de-

veloped IBM-compatible microcomputers that would be a valuable addition to Fortune Systems product line. North Star is privately held and its sales figures are not available, but the company has not enjoyed the sales growth of some of its newer competitors. Mr Lee Cochran, vice-president of Fortune Systems, said the proposed merger would be a "logical extension of our business. It is fair to say that the strengths and weaknesses of both companies would make this a good match. We need a good low-end product, and they need cash." The merger would be "very friendly," according to Mr Cochran. The deal is subject to the approval of North Star shareholders.

McGraw-Hill in takeover deal

BY OUR NEW YORK STAFF

McGRAW-HILL, the leading U.S. publisher of business and industrial periodicals, is continuing its moves into computerised information services.

The company has reached a joint agreement in principle to take over Monchik-Weber, a New York-based software, data transmission and consultancy company.

McGraw-Hill is to pay \$15 a share in cash for all Monchik-Weber's

3.6m outstanding shares, making the total cost of the acquisition \$55.3m.

The proposal has been approved by both boards and the deal is expected to go through within 90 days. It is dependent on the approval of Monchik-Weber shareholders and the execution of a definitive merger agreement.

Mr Joseph L. Dionne, president and chief executive of McGraw-Hill, says Monchik-Weber's technology "appears to lead the industry by years and provides important economic, technical and operational advantages in handling information."

Bowater Newfoundland disposal moves closer

BY ROBERT GIBBONS IN MONTREAL

NEGOTIATIONS for the sale of the Bowater Newfoundland's newsprint mill in Corner Brook have moved into the final stages, and the provincial Government is expected to announce the result before the September federal election.

Bowater last year closed one large machine and kept four older ones operating for economic reasons. Later the company said it would close it completely by the end of 1984 if no buyer came forward.

Mr Kruger, a large Quebec-based pulp and paper group is the likely buyer, although a group from the Maritime provinces is also contending. Bowater would say only that "negotiations are on the home stretch." Newfoundland officials are in Montreal for further talks with Kruger.

Fed approves banking merger

BY OUR FINANCIAL STAFF

THE FEDERAL Reserve Board has approved the application by Bank of Boston, the largest bank in New England, to acquire RITT Financial, a Rhode Island bank holding company, in one of the most closely followed inter-state merger deals.

The \$120m acquisition is permissible under a Rhode Island law introduced earlier this year allowing reciprocal inter-state banking in the New England states. While the Fed's approval was expected, it illustrates official reluctance to override state laws which have been opposed by big money centre banks seeking full nationwide inter-state banking.

Hino and ERF scrap collaboration agreement

BY JOHN GRIFFITHS IN LONDON

THE COLLABORATION agreement between truck-makers Hino of Japan and ERF of the UK has been "shelved for the indefinite future," according to Mr Peter Foden, ERF chairman.

He attributed the decision not to proceed with the agreement, which was reached more than a year ago, to a continuing adverse yen-strengthening balance.

The scheme entailed ERF building trucks in the 13-15 tonnes sector, based on Hino designs and using some Hino components. It was envisaged, however, that sufficient UK-sourced components would be used to give the trucks a high proportion of local content. The agreement was reached when ERF's output had fallen considerably in the truck market recession, which only now shows signs of ending, and when it was in need of extra products. That situation has now eased, with ERF expecting to build 2,000 trucks this year. The company also clarified new strategy to build "standardised" trucks using a limited range of bought in engines, gearboxes and axles. If buyers insist, ERF would still be prepared to build trucks to special order using non-standardised principal components, Mr Alan Watts, sales manager, said. "But we will be making quite clear to them that such trucks will be on a longer supply time, and not at the best price compared with the standard product."

Profits soar at Pharos

By Our Financial Staff

PHAROS, the Swedish electronic equipment maker, saw pre-tax profits surge in the first half to SKr 44m (\$5.3m) from SKr 14m in the comparable 1983 period. Included in the result is an extraordinary gain of SKr 27m from the sale of investment shares.

U.S. spells out rules for foreign investors

BY WILLIAM HALL IN WASHINGTON

FOREIGN INVESTORS who were last week given the go-ahead to purchase U.S. corporate securities in bearer form will be exempt from the various reporting requirements and the tax penalties facing domestic U.S. investors, under draft regulations issued by the U.S. Internal Revenue Service, as reported in late editions of the Financial Times yesterday.

The IRS regulations have been issued after the U.S. Government's recent decision to repeal the 30 per cent withholding tax in a move to encourage more foreign buying of U.S. securities. Last week the U.S. Treasury presented its plans for increasing the volume of foreign investment in U.S. Government and corporate debt but left largely untouched the question of how much information foreign investors would be required to provide. Although the U.S. has repealed its 30 per cent withholding tax, for-

clear whether the new rules will be sufficiently flexible to meet the requirements of foreign investors, many of whom rate anonymity and absence of paperwork higher than the superior income yields they can often earn by investing in the U.S. debt market, as opposed to the Eurobond market, where bearer bonds are the traditional instrument.

The IRS has also clarified its attitude to the new form of U.S. Treasury security, which will be targeted at foreign investors in registered form. The registered owner of the security must provide certification with each interest payment that represents that "the beneficial owner is not a U.S. person."

The IRS notes that this applies only if the registered owner is a financial institution that holds customer securities in the ordinary course of its trade or business. The certificate provided by a

clearing organisation must be based upon a written statement from the member organisation to which the interest is paid that the beneficial owner is not a U.S. person.

The Treasury indicated last week that it intended to issue \$1bn-\$2bn of such new targeted securities next month as part of the regular four-year note auction. The U.S. Treasury will shortly dispatch a team of high-level officials to the world's main financial centres to explain the new rules.

The IRS has still not made up its mind whether the foreign offices of U.S. brokers should be subject to "back-up" withholding tax and whether the information reporting requirements to which they are subject should be tightened. However, until stated otherwise, those offices are exempt from such requirements.

WORLD STOCK MARKETS

AUSTRALIA

Pre-budget jitters slowly abate

INITIAL nervousness steadied in Sydney as investors regained confidence - rightly as it turned out - that there would be no unpleasant surprises in the budget details due after the close. The All Ordinaries index ended 3.8 higher at 739.3.

Activity centred on oil and gas issues on takeover speculation. Hartogen rose 20 cents to AS2.50, Bridge Oil 15 cents to AS2.95, Moonie 10 cents to AS3.20 and Ampol Exploration and Crusader 5 cents each to AS3.05 and AS2.55. AOD, being sought by Santos at 90 cents a share, held steady at 93 cents while Santos jumped 20 cents to AS6.50. Among diversified resources, BHP and CSR each added 5 cents to AS10.85 and AS3.37, while Bell Resources slipped 10 cents to AS4.80. Central Norseman defied a drop in the

HONG KONG

THIN trading in Hong Kong left prices mostly higher, after some institutional and local buying interest in blue chips. The Hang Seng index added 10.59 to 907.48.

Among leaders, Cheung Kong rose 20 cents to HK\$7.25, China Light 10 cents to HK\$12.40 and Hutchison Whampoa 20 cents to HK\$10.70, while Jardine Matheson jumped 35 cents to HK\$7.95.

Hongkong Land recovered 16 cents to HK\$2.72, and Hongkong and Shanghai Bank 5 cents to HK\$6.30.

Trading again focused on smaller speculative issues, but blue-chip industrial National Iron came under heavy selling pressure from both local and foreign institutions. Expectations that its interim results, due out within a week, would not match earlier forecasts

SOUTH AFRICA

GOLD SHARES drifted lower in Johannesburg after quiet trading in response to the easier bullion price.

Heavyweight Southvaal ended 75 cents lower at R76.25 while Grootvlei lost 50 cents to R14.75. Mining financials were quietly mixed with Anglo American up 10 cents to R22.85 and Gencor down 25 cents to R24.50.

De Beers fell 31 cents to R8.97 on disappointing interim results and no dividend increase.

Platinums eased in sympathy with golds, with Impala shedding 25 cents to R21.40. Industrials ended narrowly mixed.

Barlow Rand lost 20 cents to R11.70, but Abercom added 10 cents to R1.50 after Monday's results.

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FINANCIAL TIMES... Change OF... Rate

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21st August, 1984



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Riccar opts for total court supervision

By Our Financial Staff

RICCAR, Japan's financially troubled manufacturer of sewing machines, is to reconstruct its business under total court supervision rather than by trying to come to terms with its creditors.

Riccar, which has debts totalling ¥106bn (\$436m), applied to the Tokyo District Court in July for protection against creditors following heavy losses on trading in the year ended March 1984. The group's net deficit was ¥825m.

Creditors have become unwilling to co-operate with plans for reconstruction due to unclear points in the company's financial statement. As a result, Riccar has been forced to seek total court supervision.

Riccar has run into difficulties due to weak sales of sewing machines and fiscal troubles in its hotel and U.S. marketing subsidiaries. Its three main financial backers, Mitsui Bank, The Long-Term Credit Bank of Japan, and Toho Mutual Life Insurance, have withdrawn their representatives from the Riccar board.

The failure of the company, which notched up sales of ¥57.5bn last year, is Japan's fourth biggest post-war corporate collapse.

Utico cautious on second half

By Jim Jones in Johannesburg

UTICO, the South African tobacco and snack foods company, is cautious on prospects for second-half profits despite a strong first-half showing. First-half turnover rose to R51m (\$52.5m) in the six months ended June 1984 from R70.8m in the first half of 1983. Operating income rose to R6.42m, against R5.04m.

In 1983 as a whole turnover totalled R149.8m and operating profit R12.18m. Utico is 62 per cent owned by BAT Industries of the UK.

South Africa's recently announced austerity measures are now beginning to dampen consumer demand and as a result current half-year earnings are expected to be no better than those of the corresponding 1983 period. An unchanged interim dividend of 10 cents is declared. In 1983 a dividend total of 30 cents was paid.

Egypt extends loan curbs to include foreign banks

By Tony Walker in Cairo

FOREIGN BANKS in Egypt are a public sector.

A representative of a large foreign bank said that at least 20 of the loan arrangements had had to be renegotiated. He was not sure whether the regulations would operate retrospectively. He said the regulations would have a "serious effect on the market."

Western bankers are worried that the new rules will affect long-standing commitments to customers. All banks have been asked to provide the central bank with details of outstanding loans by September 13.

There are about 20 joint-venture banks in Egypt and slightly fewer foreign currency branches. British banks represented include Barclays and

Lloyds. North American banks include the Bank of Nova Scotia, Citibank and Bank of America.

A representative of a U.S. bank described the new regulations as "disappointing." He was worried that the new rules will hamper joint ventures involving foreign companies. The Egyptian authorities have been attempting to channel bank lending into broader, more productive economic areas for some time. One side effect of what the central bank has been attempting to do is the narrowing of the lending base, which has led to the collapse of two local banks, Jammal Trust Bank and Pyramids Bank.

Egypt's four big public sector banks still account for some 75 per cent of banking business.

Profits dip at Hindustan Motors

By P. C. Mahanti in Calcutta

HINDUSTAN MOTORS, the West Bengal-based motor group, reports lower profits for the year ended March 1984 with net earnings dipping to Rs 160m (\$18.9m) from Rs 198m.

Group sales totalled Rs 2,966m, against Rs 2,870m, and pre-tax operating profits improved to Rs 340m from Rs 322m, but Hindustan has had to face heavier depreciation charges.

The company, which is owned by the Birla group, one of India's major industrial holding companies, says recession hit some of the principal products, such as trucks, dumpers, crawler tractors, shovels, and scrapers, but the output of passenger cars, the company's most

profitable item, increased, giving an overall favourable picture.

With Government clearance for the manufacture of a number of technologically more advanced items of equipment and vehicles (in collaboration with Isuzu Motors of Japan) having been received, the company's outlook looks bright. The products include highly fuel-efficient petrol and diesel engines, transmissions, and axles in a new factory to be set up in Madhya Pradesh specifically for the purpose.

Under the expansion programme, the company has been permitted to raise production capacity of passenger cars to 50,000 units a year, from 30,000.

The additional units will be produced in a new factory in Madhya Pradesh.

The company's truck manufacturing capacity is also being raised to 30,000 units a year from the existing 7,500 units. Of the additional truck units which will be manufactured in collaboration with Isuzu Motors, 15,000 will be produced in Gujarat at a new factory and 7,500 units will be assembled in Uttar Pradesh.

Hindustan Motors has just concluded a collaboration agreement with Caterpillar company of the U.S. to make earthmoving equipment which it has hitherto been manufacturing in collaboration with IBH Holding of West Germany.

Midterm loss for Jyske Bank

By Hilary Barnes in Copenhagen

JYSKE BANK, the Jutland-based bank, increased 1984 first-half earnings before provisions from Dkr 59m to Dkr 151m (\$14.4m), but after an adjustment for the value of its portfolio of bonds and shares the bank has reported a loss of Dkr 398m compared with a first-half profit last year of Dkr 1bn.

The loss of Dkr 550m on the securities portfolio reflects rising interest rates and a decline in the value of the bank's bond portfolio. Subject to any further deterioration in

the bond market, the bank expects to make a small pre-tax profit for 1984 as a whole.

RAUMA-REPOLA, the big Finnish industrial group, has acquired forest machine manufacturing business from Statsforetag of Sweden for around Fm 150m (\$25m) in cash, reports Lance Kayworth from Helsinki.

Rauma-Repolo is the leader in the Scandinavian forest machine market, and the deal will lift the group to the world league, it is claimed.

Ekornes buys most of Ulferts

By Fay Gjester in Oslo

EKORNES, one of Norway's leading manufacturers of furniture, has bought 75 per cent of Ulferts, the Swedish furniture group.

Both companies export a significant share of their output, and they have for some time been co-operating in marketing. Ekornes' turnover in 1983 totalled Nkr 350m (\$42.3m) of which 40 per cent was from exports. Ulferts' sales last year were Skr 237m (\$28.5m).

INTERNATIONAL FUND MANAGEMENT SURVEY

Publication date: 2nd November
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IDB INTERNATIONAL N.V.

U.S.\$30,000,000
Guaranteed Floating Rate Notes 1990
Unconditionally and irrevocably guaranteeing capital to payment of principal and interest by ISRAEL DISCOUNT BANK LIMITED

For the six months
21st August, 1984 to 21st February, 1985
the Notes will carry an interest rate of 12 3/4% per annum.
The relevant Interest Payment Date will be on 21st February, 1985

Bankers Trust Company, London
Fiscal Agent

TransCanada Pipelines

Second quarter report to shareholders June 30, 1984

Table with 4 columns: Consolidated Income, Three months ended June 30, Six months ended June 30, 1984, 1983, 1984, 1983. Rows include Revenues, Costs and expenses, Income from investments, Other income, Financial charges, Net income.

Table with 4 columns: Consolidated Source of Funds for Capital Expenditures, Six months ended June 30, 1984, 1983. Rows include Funds generated, Funds from external financing, Funds from other sources, Funds available for capital expenditures, Capital expenditures.

Table with 4 columns: Consolidated Financial Position, June 30, Dec 31, 1984, 1983. Rows include Current assets, Current liabilities, Total.

Net income applicable to common shares for the first six months of 1984 increased by 18.9% to \$101.2 million compared to \$85.1 million for the same period in 1983. Earnings per common share increased by 15.8% to \$1.10 per share compared to \$0.95 last year.

strengthening economy both in Canada and south of the border. Approximately 18% of the Company's total sales volumes for the current period were to export markets. The Company was gratified to learn of the new export pricing policy recently announced by the Minister of Energy Mines and Resources.

move approximately 24 million cubic metres per day of additional natural gas export volumes to Niagara Falls, Ontario, export of which was approved by the Canadian government in the first quarter of 1983.

of 1983 as a result of the improved domestic market and higher export sales to the United States. In the second quarter, the Company participated in the drilling of wells in western Canada, the United States, Australia, Indonesia and the North Sea.

discovery well on the same production sharing contract. In the Sicily Channel the Eva No. 1 well was abandoned after encountering minor oil shows.

Cumulative Redeemable Convertible First Preferred Shares Series C. On July 8, Bell Canada Enterprises purchased an additional four million shares of TransCanada Pipelines stock.

For further information write: The Vice-President and Treasurer, P.O. Box 54, Commerce Court West, Toronto, Ontario M5L 1C2 Telephone: (416) 958-2111

UK COMPANY NEWS

Standard Chartered hit by finance and bad debt costs

A HIGHER provision for bad and doubtful debts coupled with a 60 per cent increase in interest payable on loan capital undermined first half results at Standard Chartered Bank.



Lord Barber, chairman of Standard and Chartered

Group earnings per share were shown as falling by 28 per cent to 28.1p as a result of a higher effective tax charge, including associates, of 57.1m (£45m) and the rights issue in May 1983.

Racal bid to enhance its security strategy

SIR ERNEST HARRISON, chairman of Racal Electronics, told shareholders at their annual meeting in London that the company's offer document, detailing the £146m bid for Chubb, would be released shortly.

Rentokil maintains growth at 20%

WITH PARTICULARLY good results from overseas companies, Rentokil Group has turned in a 19.7 per cent increase in taxable profit in the six months to June 30 1984.

HIGHLIGHTS

Lex looks at the defence published by Brooke Bond in the light of the £300m plus offer from Tate & Lyle and ponders the extent to which, at this comparatively early stage, third party bid rumour is disguising the real issues.

different countries and markets, affords the kind of protection from cyclical influences which make other chemical companies envious. The company has put behind it the difficulties it met in its security and insulation businesses and is turning round the U.S. operations. In the UK, the contract services division was particularly strong due to the performance of the pest control, hygiene and newly-established office cleaning businesses.

Laurence Gould sees progress

Laurence Gould and Co, consultants in agriculture and agro-industries, has reported a £30,000 advance in taxable profits in the first six months of this year and sees no reason why progress should not be maintained throughout 1984 and beyond.

shot in time. The directors point out that Gould's business including as it does a range of long term contracts can be influenced by substantial start-up costs on new assignments which are recouped during and primarily at termination.

Among the assignments that the company has recently carried out has been a major review of the future of the fishing ports of Grimsby and Hull.

Yearlings up 18%

The interest rate for this week's issue of local authority bonds is 10 1/2 per cent, up one sixteenth of a percentage point from last week, and compares with 10 1/8 per cent a year ago.

'Positive improvement' at Carpets Intl.

SO FAR this year there is evidence that Carpets International is making a gradual and positive improvement compared with its performance in the second half of 1983, says the chairman, Mr R. C. Anderson.

Industrial disputes, dominated by the miners' strike, plus substantial increases in the cost of bank loans and home mortgages, are bound to affect market prospects.

Interest received accounted for £30,000 (£130,000), while interest on bank loans and overdrafts came to £700,000 (£1,080m) and interest on other loans to £150,000 (£120,000), to leave a pre-tax profit at £500,000 (£790,000).

first half profit looks promising, but so did last year's before being extinguished by second-half losses. The group's profitability—and its high tax charge—rests primarily on its cross-holding in Interface, its effective U.S. parent. The UK operation lost £0.96m in the latest six months, against a corresponding £0.52m last year. The group now claims to be getting the measure of the Belgian import competition, chiefly by moving up-market out of the Belgians' way.

Advertisement for Masscomp Common Stock, featuring Morgan Stanley & Co., Hambrecht & Quist, and other financial institutions. Includes text: 'All of these Securities have been sold. This announcement appears as a matter of record only.' and '2,500,000 Shares Masscomp Common Stock'.

Market surprised by strong Neill recovery

INCREASED SALES and the action taken to reduce overheads have combined to give James Neill Holdings a substantial increase in profit before tax for the first half of 1984.

The speed of Neill's recovery to the market by surprise and the shares closed 9p up yesterday at 80p.

Overseas companies added a further £5.4m (£4.7m) to the overall turnover of profits of £1.77m (£1m) broke down as £1.48m from the UK, with a £240,000 turnover overseas, which a £285,000 profit was recorded (loss £57,000).

Future savings related to this major restructuring will be at the annual rate of £1.3m. The chairman goes on to say that the reorganisation process is being accelerated and costs incurred in the second half could be as high as those incurred in the first half, but the result will be still further savings next year.

Closures pull back Peerless

A 20 per cent rise in pre-tax profits—from £1.5m to £1.8m—has been achieved by Peerless in the year ended March 31 1984.

The balance of shares has been sold on the Stock Exchange at a premium of 2.56p over the subscription price of 89p per share.

Accordingly, although the make up of the group profit will be rather different, the board is confident of another very satisfactory year.

As reported on July 12, Daejan achieved a sharp rise in taxable profits from £6.88m to £12.83m in the 1983-84 year.

Table for emroy pk Financial Services & Motor Distribution. Includes columns for Unaudited 6 months, Unaudited 6 months year ended, and Audited 6 months year ended. Rows include Turnover, Net profit before taxation, Taxation, Attributable, Ordinary dividend, and Earnings per 5p share.

Table for Granville & Co. Limited. Includes columns for 1983-84, 1984-85, and 1985-86. Rows include High/Low, Company, Price, Change, Dividend, P/E, and Fully Paid.

Daejan Holdings PLC

SILVER 1959-1984 JUBILEE

The Chairman, Mr B S E Freshwater, reports:

- In the Company's Silver Jubilee year, our results are substantially better than ever previously achieved.
- Rental income is now sufficient to absorb all financing and other costs.
- The current programme of controlled expansion by reinvestment into good quality commercial property, will provide continued income and capital growth.
- The total portfolio is now valued at more than £125 million, compared with £4 million in 1959.
- Our portfolio is sufficiently diverse to enable me to retain a quiet confidence for the future.

	1984	1983
Profit before Tax	12,827,000	6,930,000
Net Profit	7,304,000	4,294,000
Earnings per Share	45.32p	26.48p
Dividends per Share	12.50p	5.75p
Net Assets per Share	413p	373p

Copies of the Report and Accounts are available from The Secretary, 162 Shaftesbury Avenue, London WC2H 8HR.

Micro Focus upsurge and prospects are very good

DOUBLED PROFITS are reported by Micro Focus Group for the interim period of 1984, and prospects for the rest of the year "are very good," the directors claim.

In the 30 weeks ended July 4, the profit before tax was £1.5m, against £747,000 for the 28 weeks ended May 31 1983. The current accounting period will end on January 31 1985 and the second half will also cover 30 weeks. For the 53 weeks ended December 7 1983 the group made a profit of £2.5m.

Principal activities are the creation and marketing of computer systems software products based on COBOL and designed to support computer programming. In June the company transferred from USM to a full listing. The directors report that the company's financial health is sound, with a high net worth and substantial cash reserves.

There is a continuing need to recruit sales and technical support staff to match expanding prospects and customer base. With the establishment of a second development team in the U.S. there will be a need for control mechanisms to manage and co-ordinate this product development alongside that in Newbury.

Turnover for the interim period advanced from £3.61m to £5.07m. The profit was struck after sales variable costs £935,000 (£1.07m), other operating costs £4.20m (£1.23m) and development implementation costs £1.53m (£314,000). Tax takes £883,000 (£375,000) and there is a provision this time of £880,000 for deferred. Also there is a loss on foreign currency futures of £156,000 (£nil). Earnings are shown at 7.1p (4.8p) per share.

The foreign currency loss represents a once-off dollar futures arrangement made with the intention of protecting last year's dollar net current assets from an envisaged strengthening of sterling.

As a consequence of the strong economic growth and the high dollar exchange rate, sales in the geographical areas USA and Canada increased substantially. Sales in Asia also rose sharply. The development of sales in Europe lagged behind that of the average for the Company because of the lower consumer expenditure in this area.

The improvement in trading profit in the first six months of 1984 was achieved in spite of the negative trading profit in the product sector Home Electronics. Sound and Vision. The product sectors Industrial Supplies and Lighting and Batteries contributed significantly to the improvement. This was mainly the result of a better utilisation of capacity and a higher average level of earnings. The favourable trading profit in the sector Products Systems for Professional Applications was maintained. As against this, trading profit in Domestic Appliances and Personal Care Products went down to some extent due to pressure on the price level.

Viewed geographically, the rise in trading profit was achieved in the Netherlands, the USA and Canada, and in Australia and New Zealand. In the EEC, excluding the Netherlands, trading profit remained under pressure as a result of the difficult economic situation in some countries. Total liabilities as a percentage of total capital employed went up, partly as a result of the consolidation of Bauknicht, of which the shares still outstanding with third parties were acquired in the course of this quarter. The number of employees rose in the first half year by 2,800. This increase took place almost entirely in the US Philips Trust.

	2nd quarter		Jan. to June	
	1984	1983	1984	1983
Amounts in millions of guilders				
Sales	12,144	10,541	24,173	20,963
Trading profit	805	622	1,634	1,109
Gearing adjustment	150	168	296	322
Financing charges	-48	-49	-91	-90
Miscellaneous income and charges	5	17	6	32
Profit before tax	502	317	1,006	558
Tax on profit	-226	-159	-452	-279
Profit after tax	276	158	553	279
Share in net results of non-consolidated associated companies	28	15	69	33
Minority interests	-42	-36	-78	-53
Net profit	262	137	544	259
Trading profit as a percentage of sales	6.6	5.9	6.8	5.4
Profit before tax as a percentage of sales	4.1	3.0	4.2	2.7
Profit after tax as a percentage of sales	2.3	1.5	2.3	1.4
Net profit as a percentage of Shareholders' Interests	7.5	4.3	7.8	4.0
Do, per ordinary share of f 10 in guilders	1.24	0.67	2.58	1.28
Do, per ordinary share of f 10 based on historical cost (GAAP) in guilders	1.84	0.72	3.19	1.63
At end of June			1984	1983
Stocks (as a percentage of sales in the last 12 months)			30.7	31.3
Average credit period for trade debtors (in months)			2.3	2.5
Liquid assets			1,262	1,036
Total liabilities as a percentage of total capital employed			60.4	58.7
Number of employees (comparative number at 1 January 1984: 341,100)			343,900	341,200
of which in the Netherlands (comparative number at 1 January 1984: 67,500)			67,800	72,100

In calculating profit and capital employed, allowance has been made for an estimated proportion of those provisions which, as anticipated, will have to be made at the end of the financial year. The net profit per ordinary share of f 10 (in guilders) in 1984 has been calculated on the basis of the average outstanding number of ordinary shares in the relevant period, plus the ordinary shares distributed in April 1984 and charged to Share Premium Account.

N.V. Philips' Gloeilampenfabrieken
THE BOARD OF MANAGEMENT

Eindhoven, 16 August 1984.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Company	Date
Acrow	Sept 25
Casket (S.)	Sept 24
Consolidated Financing	Sept 1
Corporation Syndicate	Sept 13
Framlington Group	Sept 5
Minerals Oil and Resources	Sept 5
Shares Fund	Sept 5
Tottenham Hospice	Aug 22
Two-Ten-Ten United Cakes	Sept 13

FUTURE DATES

Company	Date
Chemical Methods Associates	Aug 31
International Thomson	Aug 28
Library	Sept 21
Trust Cloves (Wines)	Sept 4
Nichols (A. M.) Wines	Sept 3
Technology for Business	Aug 24
Williams Holdings	Aug 29

Global on target to commence dividends

IN THE YEAR to May 31 1984 the Global Group reached pre-tax profits of £21.0m, compared to £27.0m last year and exceeding by some £11.0m the forecast made at the time of the group's USM placing last June.

The company — a Smithfield-based meat importer and exporter — considers that all remain excellent. As known there is to be no dividend for the year under review, but the directors state that if current year pre-tax profits are of a satisfactory level an interim of 1p net will be paid next February, followed by a recommended 1.25p in September 1985.

Earnings per share for the 1983/84 year are given as 5.4p (5.9p). Turnover advanced from £21.34m to £24.21m, and the directors say that trade remains "buoyant".

It is too early in the current financial year to make any firm predictions of pre-tax profit, but they are confident that by taking advantage of the increased import allocations under the General Agreement on Tariffs and Trade (GATT) the group will continue to prosper.

In the short period since the entry to the USM, the group has continued to concentrate on its established areas of trading both in the UK and abroad, which it has built up throughout its years of trading. The directors believe that great potential exists in the expansion of the export of products to EEC and non-EEC countries, both from the UK and through the group's French subsidiary.

To this end the group has continued to focus its attention on the opportunities of realising a larger share of these markets, and the creation of new markets. The tax charge was substantially increased from £18,000 to £119,000.

Dewey Warren 63% ahead to £0.7m halfway

A WEIGHTING of profitability occurs in favour of the first half of the year at Dewey Warren Holdings, say the directors, due to a concentration of annual renewal premiums on January 1. Although the imbalance is insignificant, it should be seen in the context of first-half profits of £885,000, 63 per cent above the pro-forma £421,000 given for the comparable period.

As against this, Polaris, at the time of this Lloyd's insurance broker's admission to the USM, a first dividend of 2p net has been declared at the interim stage. Earnings per 10p share are shown as rising from 3.9p to 8.2p.

Brokerage came to £1.84m (£1.69m). In addition to the present strength of the dollar, in which the directors say 85 per cent of brokerage is received, and interest rates at relatively high levels, there are favourable factors to generate growth from new business. There is emerging evidence of higher premium rates in some sectors of the market, and they see a number of favourable factors in the short term.

Commenting on the period under review the directors say that growth of brokerage income has extended over all market sectors, particularly in direct marine insurance. All the group's reinsurance departments have contributed strongly, with further benefit coming from the continued strength of the U.S. dollar. Improved interest earnings reflect both higher brokerage and higher dollar interest rates.

There was a tax charge of £335,000 (£258,000). Dividends will absorb £58,000 (£100,000) after which the retained balance emerges ahead from £98,000 to £285,000.

Southend Stadium holds profit

An increase in rents and investment income has helped Southend Stadium to hold its pre-tax profit for first half of 1984 at £70,883, compared with £71,161.

Greyhound attendances — there were two meetings fewer this time — and tote figures showed a slight decline in line with the national average. Operating profit fell to £4,651 (£9,668) but rents and investment income were up to £86,037 (£61,178).

Total assets retention was £109,832 (£113,099) and market receipts came to £230,135 (£239,079) with general betting duty at £24,970 (£26,987) and expenditure at £200,514 (£208,297).

Excluded from the half year figures is £24,000 paid to outgoing directors as compensation for loss of office. Earlier this year there was a board reshuffle which led to Mr S. Corbett, Mr D. M. Wright-Grout and Mr D. Hill resigning, and Mr C. T. Bray, Count J. Baden, Mr J. E. Carron and Mr P. A. Greaves joining the board.

Yelverton Investments has taken a large shareholding in the company, and the new board's stated aim is to realise the "great potential" of the company at the earliest possible opportunity.

Fife Indmar

Following an increase in interest costs group profits before tax dropped from £403,000 to £383,000 at Fife Indmar for the first half of 1984. Turnover of this light and general engineer moved up from £6.72m to £6.94m.

The net interim dividend has been lifted from 1.4p to 1.5p. In the last full year a total of 6.6p was paid from pre-tax profits of £308,277.

First-half trading profits rose from £428,000 to £452,000 after which interests costs took more to £68,000 (£25,000).

Tax was the same — again at £100,000 — after which earnings per 25p share were shown as down from 10.8p to 10p.

NatWest senior posts

Mr Len G. Shackelford has been appointed deputy managing director of TIRFOR. He joined the company in 1987 as company secretary, and was appointed financial director in 1988.

Mr Michael Boddington has been appointed managing director of COTRALL-PICKFORDS, specialist wine shipping and freight forwarding subsidiary of the National English Consortium. He will take up his post on September 10, and succeeds Mr Charles Newton, who left the company last month. Mr Boddington joins Cotrall-Pickfords from Fozzard, where one of his main responsibilities as general manager has been the shipping and transport of wines from Europe.

Mr Neil McArthur has been appointed managing director of AMES CROSTA BABCOCK, a member of Babcock International, a mechanical and process plant contracting group. He succeeds Mr Frank Sanderson, who has retired from his executive roles in Babcock but who will remain as a consultant. Mr McArthur, who is also appointed to the board of Babcock Contractors, joined Ames Crosta Babcock from Weir Wergin in 1983. Mr George Gowan, managing director of the mechanical and process plant contracting group, became chairman of Ames Crosta Babcock.

Mr Tim Goddard has been appointed head of lending for PARCLAYS INSURANCE SERVICES CO. Established over 12 years ago as the bank's wholly-owned insurance broking company, it is claimed to be the country's largest life and pensions broker. Mr Goddard was assistant district manager (advances) at the Lombard Street local head office.

Mr Roger Skatte has been appointed production director of SAUNDERS VALVE COMPANY, in succession to Mr Ian Garrah, who has become managing director. Dr Paul Thomas has been appointed as technical director.

Mr David Wood, Cadbury Schweppes' health and hygiene division managing director

embraces Jeys and Aerosols International. Since 1980, Mr Wood has been managing director of Cadbury Schweppes (South Africa), based in Johannesburg.

Following the acquisition by W. H. Smith of over 25 per cent of Yorkshire Television shares, Mr Francis S. K. Eason, a divisional director of W. H. Smith, has joined the YORKSHIRE TELEVISION. He is managing director of W. H. Smith Cable and a director of Screen Sport, a satellite-delivered cable sports channel. Mr Eason joined W. H. Smith last year after six years as chief executive of Guthrie International.

Mr Gerard W. Organ has been appointed deputy managing director of TIRFOR.

Mr Michael Boddington has been appointed managing director of COTRALL-PICKFORDS.

Mr Neil McArthur has been appointed managing director of AMES CROSTA BABCOCK.

Mr Tim Goddard has been appointed head of lending for PARCLAYS INSURANCE SERVICES CO.


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A copy of this advertisement has been delivered for registration to the Registrar of Companies in London

Deutsche Bank Aktiengesellschaft

Offer for Subscription of 4% Convertible Bonds of 1984

Pursuant to the authority granted at the Annual General Meeting on 16th May 1984, the Board of Managing Directors has decided to float a convertible bond issue in a nominal amount of DM 750,000,000. The Convertible Bonds will be offered to the shareholders of Deutsche Bank AG at an issue price of 100%: one Convertible Bond in a nominal amount of DM 250 may be subscribed for every ten shares of DM 50 par value. Shareholders' statutory pre-emptive rights are barred for residual bonds not needed for subscription.

Pursuant to the Conditions of Issue, the terms of the Convertible Bond issue shall be as follows:

Denominations: The Convertible Bonds will be issued in bearer form, will rank pari passu with each other and will be in nominal amounts of DM 250, DM 1,000 and DM 10,000.

Interest: The Convertible Bonds bear interest at the rate of 4% per annum from 15th September, 1984. Interest is payable annually in arrears on 2nd January of the years 1985 to 1995. Interest for the period 15th September, 1984 to 31st December, 1984 will be paid against the first interest coupon due on 2nd January, 1985. The Convertible Bonds shall cease to bear interest as of 31st December, 1994.

Redemption: The Borrower is obliged to redeem the Convertible Bonds, unless they have been converted, on 2nd January, 1995 at par.

Ranking: Claims arising out of the Convertible Bonds and the interest coupons rank subordinate to the claims of all other creditors of the Borrower. The offsetting of claims arising out of the Convertible Bonds against claims of the Borrower is barred.

Conversion Right: Bearers of the Convertible Bonds shall have the indefeasible right to convert their Bonds into shares of the Borrower in the ratio 5 for 1 in nominal terms without additional payment. Every DM 250 Convertible Bond can be converted into one DM 50 share of Deutsche Bank AG; that corresponds to a conversion price of DM 250 for one share of DM 50 par value. A minimum amount of DM 250 in Convertible Bonds or a multiple thereof is required to exercise the right of conversion.

The right of conversion can be exercised at any time between 2nd January, 1990 and 15th December, 1994 with the exception, for technical reasons, of certain periods listed in the Conditions of Issue.

Shares arising out of the conversion are entitled to dividend for the whole of the Borrower's financial year in which the conversion declaration comes into effect. In the event of conversion, the Bearer of the Convertible Bonds is not entitled to interest from 2nd January immediately preceding the date of conversion.

Conditional Capital: The conversion right will be secured by conditional capital of DM 150,000,000 resolved at the General Meeting of the Borrower on 16th May, 1984. The resolution concerning the conditional capital increase has been entered in the Commercial Register.

Capital-Watering Safeguard: In so far as Deutsche Bank AG raises its capital during the lifetime of the Bonds through the issue of new shares granting direct or indirect pre-emptive rights to its shareholders or floats bonds with conversion rights or subscription rights, the conversion price of a share of DM 50 par value will be decreased according to the usual mathematical formula pursuant to the conditions contained in Section 8 of the Conditions of Issue.

The conversion price will not be decreased if the Bearers of the Convertible Bonds are granted indirect or direct pre-emptive rights which would put them in the same position as if they had already exercised their conversion right.

We invite our shareholders to exercise their subscription rights against presentation of dividend coupon No. 43 and payment at one of the subscription agents during normal business hours from 29th August to 12th September, 1984 inclusive.

Subscription Agents in the United Kingdom

Deutsche Bank AG, London Branch, 8 Bishopsgate, London EC2P 2AT.	Midland Bank plc, International Division, Securities Department, St. Margravs House, 3 Lower Thames Street, London EC3R 6HA.
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To exercise their subscription rights, shareholders shall tender their share dividend coupons No. 43. One Convertible Bond in a nominal amount of DM 250 at an issue price of 100% may be subscribed free of stock exchange turnover tax for every 10 shares of DM 50 par value. The subscription price is payable on 14th September, 1984 without offsetting broken-period interest.

The subscription rights in dividend coupon No. 43 will be traded and officially listed on all German stock exchanges and, where possible, the relevant foreign stock exchanges in the period 29th August to 10th September, 1984. The subscription agents are willing to arrange, as far as possible, the purchase and sale of subscription rights.

Each Convertible Bond shall have attached eleven interest coupons and eight Bearer title-evidencing certificates. Until delivery of individual Bonds, the issue will be represented by a Global Bearer Convertible Bond which will be deposited with the competent security-clearing association. No claims for delivery can be made prior to the availability of individual Convertible Bonds.

Application has been made to trade and list the Convertible Bonds on all German stock exchanges.

Frankfurt am Main, 22nd August, 1984.

The Board of Managing Directors

BIDS AND DEALS

MINING NEWS

Bellair gives few clues on when listing might resume

BY NICK GARNETT

SHAREHOLDERS of Bellair Cosmetics, former stock market high-flyer which had its shares suspended by the Stock Exchange in January, were given few indications at yesterday's annual general meeting on when the listing would be restored.

Mr. Mehmet Teclimer, the Turkish businessman who holds a controlling interest in Bellair, attended the meeting but said nothing. The share price rose from 17p last April to £1 1/2 at suspension, after Mr. Teclimer, a brother-in-law of Polly Peck chairman Mr. Asil Nadir, bought his holding.

Shares in Bellair, which has only once made a profit in the past six years, were suspended because the Stock Exchange deemed their rise to be too rapid and unjustified. Mr. Teclimer holds a 72 per cent stake through Lichtenstein-registered company, Waskon.

Tillman quits Sumrie board

By Alexander Nicol

Mr Harold Tillman has resigned from the board of Sumrie Clothes, the loss-making Leeds-based menswear group in which he acquired a controlling interest in April 1983.

Management control is now in the hands of Le Chevalerie, a Monaco-based company which has a substantial minority shareholding. Sumrie's chairman is Mr Patrick Benson, a director of the Monte Carlo company.

At that stage, Mr Tillman and his associate, Mr Harold Sorky, were still directors, but resigned this week after discussions on the future of the company.

ITT raises STC stake

ITT of the U.S. has further boosted its holding in Standard Telephones and Cables, UK communications group. ITT wants to prevent the planned takeover of computer maker ICL from diluting its stake in STC too heavily.

BCA's £4.6m purchase to expand U.S. operations

British Car Auction Group announced yesterday the acquisition of Baltimore-Washington Auto Exchange for \$6m (£4.6m) through its American subsidiary, Anglo American Auto Auctions.

Weaker second half hits GFSA full-year profits

THE COMPARATIVE stagnation in the gold share market in the second half of the year to June 30, which led to reduced opportunities to make substantial profits on share dealing activities, left Gold Fields of South Africa with attributable profits 8 per cent lower at R161.7m (£79.5m).

De Beers lifts profit but pays same

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S De Beers Consolidated Mines has had a good half-year but is not prepared at this stage to venture an increase in the interim dividend, as had been expected in some quarters. The payment remains unchanged at 12.5 cents (6.11p) out of higher-than-expected earnings of 88.9 cents per share before extraordinary items.

The sale by Minerals and Resources Corporation of part of the latter's holding in Phibro-Salomon. A year ago there was a debit of K18.1m.

Table with 5 columns: Company Name, Current payment, Date of payment, Corresponding dividend, Total last year. Includes De Beers, Deewey Warriner, Fife Indmar, etc.

Distillers rumours

Shares of Distillers, the UK's biggest distilling business, yesterday rose 9p to 301p amid speculation that General Electric Company was adding to its 2.5 to 3 per cent stake in the company in preparation for a takeover bid.

Associated Energy expands

Associated Energy Services has agreed to acquire all the trading assets of Taylor Frezer UK, a division of Beatrice Foods (UK), a going concern investment in the UK.

Wester second half hits GFSA full-year profits

Plumbridge, GSFA's chairman, told shareholders in his annual statement that there might be scope for a modest increase in the dividend provided there was no fall in earnings.

Gencor plans gold mine in South America

SOUTH AFRICA'S General Mining Union Corporation (Gencor) plans to bring the high-grade Sao Bento gold mine in Brazil's mineral-rich Minas Gerais province into production by early 1987, J. Jones reports from Johannesburg.

Table titled 'GOLD FIELDS OF SOUTH AFRICA LIMITED' showing preliminary announcement of results for 1984 and 1983. Columns include Revenue, Expenditure, Profit before tax, etc.

Greggs £0.8m acquisition

Greggs, Newcastle upon Tyne-based specialist baker, has established a West Midlands division through the purchase of 90 per cent of Charles Bragg (Bakers) of Alton Rock, Birmingham.

BIDS AND DEALS IN BRIEF

Powell Duffy, diversified industrial group, has appointed Rowe & Pitman as its stock brokers, replacing Hoare Govett. The company said the change resulted from a periodic review of its professional advisers.

Table titled 'Interim Statement' showing The Standard Chartered Bank Group profit before taxation for the half year to 30th June, 1984. Columns for 30th June 1984, 31st December 1983, and 30th June 1983.

Table titled 'Group Results (unaudited)' showing Six Months ended 30th June 1984, Six Months ended 31st December 1983, and Six Months ended 30th June 1983. Rows include Trading profit, Interest on subordinated loan capital, etc.

Table titled 'Notes to the Group Results' containing five numbered notes detailing accounting policies and financial information for the period.

Standard Chartered logo and text: 'Direct banking, worldwide. Head Office: 10 Clements Lane, London EC4N 7AB.'

DECLARATION OF FINAL DIVIDEND. Dividend No. 73 of 64 cents per share in respect of the year ended 30 June 1984 has been declared in South African currency, payable to members registered at the close of business on 7 September 1984.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	Open	Close	Chg	12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	Open	Close	Chg
22 1/2	22 1/4	AMER	4.25	11	250	248 1/4	249 1/4	249 1/4	-	12 1/2	12 1/4	AT&T	5.75	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AMR	1.40	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	CON	2.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	ANR	3.00	10	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	CSX	4.00	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	APA	4.25	11	250	248 1/4	249 1/4	249 1/4	-	12 1/2	12 1/4	DOV	3.75	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	APC	3.50	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	DRI	4.00	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	APL	3.50	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	ECO	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	APR	4.25	11	250	248 1/4	249 1/4	249 1/4	-	12 1/2	12 1/4	EDP	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AV	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	EXP	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AW	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	F	4.00	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVB	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVC	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVD	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVF	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVG	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVH	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVI	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVJ	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVK	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVL	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVM	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVN	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVO	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVP	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVQ	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVR	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVS	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVT	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVU	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVV	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVW	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVX	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVY	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-
22 3/4	22 1/4	AVZ	3.25	15	100	99 1/4	99 1/4	99 1/4	-	12 1/2	12 1/4	FIS	3.50	15	100	99 1/4	99 1/4	99 1/4	-

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for 12-month high/low, current price, and change.

Continued on Page 20

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for 12-month high/low, current price, and change.

WORLD VALUE OF THE DOLLAR every Friday in the Financial Times

Notes: Figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. When a split or stock dividend is announced...

WORLD STOCK MARKETS

AUSTRIA Aug. 21 Price +/- or ... Creditanstalt 306 ...

GERMANY Aug. 21 Price +/- or ... AEG Telet. 91.7 ... Allianz Vers. 152.8 ...

BELGIUM/LUXEMBOURG Aug. 21 Price +/- or ... ARBED 1,990 ... Belfort Int A Lux 5,200 ...

DENMARK Aug. 21 Price +/- or ... Aarhus Oie 760 ... Andelsbanken 280 ...

FRANCE Aug. 21 Price +/- or ... Emprunt 4 1/2 1,725.5 ... Emprunt 7 1/2 1,913.0 ...

CANADA Closing prices August 21 ... 1800 Can Res 158 ... 2000 Can Res 158 ...

NORWAY Aug. 21 Price +/- or ... Bergen Bank 154 ... Borgerand 302.5 ...

SPAIN Aug. 21 Price +/- or ... Banco Bilbao 245 ... Banco Central 250 ...

SWEDEN Aug. 21 Price +/- or ... AGA 375 ... Alfa Laval 328 ...

NETHERLANDS Aug. 21 Price +/- or ... ACF Holding 179 ... AEGION 189 ...

AUSTRALIA Aug. 21 Price +/- or ... ANZ Group 4.94 ... Alliance 0.92 ...

AMERICAN STOCK EXCHANGE CLOSING PRICES ... 12 Month High Low ...

AUSTRALIA (continued) Aug. 21 Price +/- or ... BHP Billiton 2.2 ... BHP Billiton 2.2 ...

JAPAN (continued) Aug. 21 Price +/- or ... MHI 239 ... Matsui 330 ...

HONG KONG Aug. 21 Price +/- or ... Bank East Asia 20.5 ... Cheung Kong 7.75 ...

JAPAN Aug. 21 Price +/- or ... Aihonmoto 1,290 ... Alps Electric 2,240 ...

SOUTH AFRICA Aug. 21 Price +/- or ... BANC 1.97 ... BANC 1.97 ...

MONTREAL Closing prices August 21 ... 1040 Lac Min 330 ... 1040 Lac Min 330 ...

OVER-THE-COUNTER Nasdaq national market, closing prices

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

LONDON Chief price changes

Ex. 5/16c 1998 ... Allianz 228 H ... BSR 180 +5 ...

Tr. 2/16c 2011 ... GSW 470 -20 ... Bryson O & G 370 -38 ...

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

Stock Sales High Low Last Chng ... AEL Inc 47 ... AEL Inc 47 ...

EQUITY & SEC ...

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

More hopeful outlook for docks talks boosts gilt-edged stocks and equities

Account Dealing Dates
First Dealers Last Account Dealing Date
July 30 Aug 30 Aug 28

Hopes that the efforts being made to avert a national dock strike would bear fruit gave London stock markets a boost yesterday.

Investors also took comfort from the trend overnight in the U.S. Bond markets there continued to view with optimism the Treasury's plans to fund issues specifically aimed at foreign investors.

Standard fall
Selected blue chip industrial shares achieved above-average gains, none more than 2%.

ance also affected the clearers which had earlier continued to improve in recognition of a batch of brokers' circuits.

More favourable futures market indications together with a stable sterling exchange rate against the dollar encouraged support for Government Securities.

Standard's performance
Standard's performance in the FT-100 share index was mixed, with gains in the FT-100 share index.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, Aug 21, Aug 20, Aug 17, Aug 16, Aug 14, Aug 13, Year ago

HIGHS AND LOWS S.E. ACTIVITY
Table with columns: Index, High, Low, Daily Gilt Edged, Daily Share Average

Overnight level of 5900 before late U.S. demand left the close 4 dearer on balance at 5849.

BICC in demand
Quiet but firm conditions prevailed in the Stock Exchange today.

interim figures are due on September 13. Elsewhere in miscellaneous industrial, a speculation left Rank Organisation 14 to the good.

Debtors in Hongkong
Debtors in Hongkong were suspended at 8:00 following similar action in Kuala Lumpur.

De Beers volatile
Early interest in mining markets was centred on De Beers; supported up to 467p initially.

Turner & Newall good
Overnight U.S. demand coupled with domestic buying took Turner and Newall up sharply to close 17 higher at 82p; the

eventual falls in share prices attributed to technical influences.

London-domiciled Financials traded quietly reflecting London equities another uninspiring performance by base metal markets.

Optimistic tenor of the chairman's statement which accompanied the interim results helped Carlops International close 4 better at 26p.

Proceedings in Oils were considerably enlivened by Carless Cape's £100m plus share-exchange bid for offshore exploration group Premier Oil.

EQUITIES
Table with columns: Issue, Price, Amount, Date, Stock, Closing Price, % Chg, Dividend, Yield

FIXED INTEREST STOCKS
Table with columns: Issue, Price, Amount, Date, Stock, Closing Price, % Chg, Dividend, Yield

"RIGHTS" OFFERS
Table with columns: Issue, Price, Amount, Date, Stock, Closing Price, % Chg, Dividend, Yield

NEW HIGHS AND LOWS FOR 1984
Table with columns: Stock, High, Low

RISES AND FALLS YESTERDAY
Table with columns: Stock, Rise/Fall, % Chg

OPTIONS
Table with columns: Option, Call/Put, Price, % Chg

TUESDAY'S ACTIVE STOCKS
Table with columns: Stock, Price, % Chg

LONDON TRADED OPTIONS
Table with columns: Option, Call/Put, Price, % Chg

EUROPEAN OPTIONS EXCHANGE
Table with columns: Series, Vol., Last, % Chg

EUROPEAN OPTIONS EXCHANGE (continued)
Table with columns: Series, Vol., Last, % Chg

EUROPEAN OPTIONS EXCHANGE (continued)
Table with columns: Series, Vol., Last, % Chg

EUROPEAN OPTIONS EXCHANGE (continued)
Table with columns: Series, Vol., Last, % Chg

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Index, % Chg, Dividend, Yield

FIXED INTEREST
Table with columns: PRIME BONDS, Index, % Chg, Dividend, Yield

FT-100 SHARE INDEX
1984.1 +0.6 1043.9 1077.2 - 1074.4 1078.0 1082.9 1091.6 6.0

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*First dealer, high and low, issue date, value and constituent changes are published in Saturday edition. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, E04P 4BQ, price 15p, plus Pst 2p.

FT LONDON SHARE INFORMATION SERVICE



BRITISH FUNDS

Table of British Funds with columns for Name, Shares, Price, and Yield.

Five to Fifteen Years

Table of British Funds categorized by 5 to 15 year maturity.

Over Fifteen Years

Table of British Funds categorized by over 15 year maturity.

Undated

Table of Undated British Funds.

Index-Linked

Table of Index-Linked British Funds.

INT. BANK AND O.E.S. GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of various Loans.

Public Board and Ind.

Table of Public Board and Industrial shares.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails.

AMERICANS

Table of American Stocks.

BEERS, WINES—Cont.

Table of Beers and Wines.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

DRAPERY & STORES—Cont.

Table of Drapery and Stores.

ELECTRICALS

Table of Electricals.

ENGINEERING—Continued

Table of Engineering.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) shares.

CANADIANS

Table of Canadian Stocks.

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

FOOD, GROCERIES, ETC

Table of Food, Groceries, etc.

DRAPERY AND STORES

Table of Drapery and Stores.

HIRE PURCHASE, LEASING, ETC.

Table of Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits.

ENGINEERING

Table of Engineering.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) shares.

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Handwritten note: "Handwritten text at the top of the page, possibly a date or reference." (Note: The image shows a handwritten note in Arabic script at the top center of the page, which appears to be a date or reference: "يوم الأربعاء 22 أغسطس 1984")

INDUSTRIALS—Continued

Table of Industrial stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

LEISURE—Continued

Table of Leisure stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

PROPERTY—Continued

Table of Property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

INVESTMENT TRUSTS—Cont.

Table of Investment Trusts including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

OIL AND GAS—Continued

Table of Oil and Gas stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

MINES—Continued

Table of Mines stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

OVERSEAS TRADERS

Table of Overseas Traders including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

INSURANCES

Table of Insurance stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

PROPERTY

Table of Property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

TOBACCOS

Table of Tobacco stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

FINANCE, LAND, ETC.

Table of Finance, Land, Etc. stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

PLANTATIONS

Table of Plantation stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

MISCELLANEOUS

Table of Miscellaneous stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

LEISURE

Table of Leisure stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

PROPERTY

Table of Property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

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Table of Tobacco stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

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REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, change, and volume.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., British Group - Continued, and others, with columns for fund names and values.

F.T. CROSSWORD PUZZLE No. 5498

1 Headgear that's raw in a way (5, 3)
5 Cricket side's finish to cause anger? (6)
10 Drink for sailor returning for dance (5)
11 Space in theatrical productions (9)
12 A crew in tricky surroundings making up heavily (9)
13 Both Eric and N. Ireland take in what's belonging to them (3)
14 Dead or faltering, could be worshipped (11)
15 They're instrumental in their movements (7)
18 For such a winning blow comes back, abandoned (7)
20 Woven start of hemp or 'm fabric (8)
22 A break with Eastern charity (5)
24 Produced when chins drop? (4, 3)
25 French wine in crushed scrape after heart of Medoc, leading astray (8)
26 Banish forty-nine in flower (15)
27 Pleasant river loses a degree of precision (6)
28 Lavish son of the Bible (8)
DOWN
1 Went about with S.R., scattered abroad (8)
2 Handkerchief knot taking in a bit left over? (8)
3 Conditional prediction after the news? (7, 8)
4 Put to use (filled in a form)? (7)
6 Cricket captain often is best

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

of the lot! (5, 2, 3)
7 Hero defied, in part, to wear out (5)
8 Sit around in formal clothes with difficulty (8)
9 Greek deities sound like sarcastic compositions (6)
16 It's time sorcery is moving spasmodically (8, 7)
17 Intermittently on both sides of a bit left over? (8)
19 Highlander could be like it (6)
20 Crub about one's boss? (7)
21 A dandy, too! (2, 4)
23 Jelly of a kind (lavender) (5)

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts and their performance metrics.

Table of Financial Times listing various financial products, insurance companies, and other services.

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دکتر احمد انصاری

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial products, including Liberty Life Assurance Co Ltd, National President Institution, and others, with columns for company name, address, and contact information.

Table listing insurance and financial products, including Sore & Prosser Group, Target Life Assurance Co Ltd, and others, with columns for company name, address, and contact information.

Table listing insurance and financial products, including CAL Investments (UK) Ltd, Sincere Henderson Asset Ltd, and others, with columns for company name, address, and contact information.

Table listing insurance and financial products, including Strathclyde Management Limited, Sincere Henderson Asset Ltd, and others, with columns for company name, address, and contact information.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas financial products, including Fidelity International, Allianz International, and others, with columns for company name, address, and contact information.

Money Market

Table listing money market products, including Money Market Trust Funds, with columns for company name, address, and contact information.

Bank Market

Table listing bank market products, including Bank Market Trust Funds, with columns for company name, address, and contact information.

NOTES

Notes section providing additional information and disclaimers regarding the financial products listed.

COMMODITIES AND AGRICULTURE

Dispute over price of milk for Cheddar goes to arbitration

BY ANDREW GOWERS

A DISPUTE has broken out over Britain's Milk Marketing Board and UK cheese manufacturers over the price they pay for milk used in making Cheddar. With both sides sticking to what appear to be diametrically opposed positions, an official arbitrator is now studying the case.

argue that it should reflect the returns to be obtained from Cheddar, presently depressed by a glut on the market. The DTF itself declined to comment, saying it was awaiting the arbitrator's report.

study. The two sides are to meet again on September 8. Sir Ernest, a former chairman of Unilever, has arbitrated in arguments between the MMB and the DTF before. He produced a compromise between them on the price of milk for butter earlier this year, ending the board's controversial "dual pricing" system.

Backing for world copper talks plan

By Nancy Dunne in Washington

MR WILLIAM CLARK, the U.S. Secretary of the Interior, has thrown his considerable influence behind a proposal to conduct negotiations with copper producing nations to achieve an across-the-board decrease in world output.

John Buckley surveys Europe's oilseed crop UK leads rapeseed expansion

THE EUROPEAN Community's vegetable oil and protein deficits have long enabled its oilseed producers to escape much of the criticism increasingly attracted by the surplus-ridden cereal sector.

Table with 4 columns: Country, 1981, 1982, 1983, 1984* (Estimate). Rows include France, UK, West Germany, Denmark, Others, Total.

Cocoa price boosted by supplies squeeze

As traders sought to cover short positions caused by the non-delivery of Nigerian beans, the spot September position rose \$44.50 to \$1,892.50 a tonne.

Census boosts grain crop prospects

FORECASTS of a bumper UK grain harvest received further confirmation yesterday with the release of official figures showing an increase of more than 2 per cent this year in the total area sown to cereals.

Factors behind the drop include the 1 per cent cut in intervention prices, tighter quality standards implemented by the European Commission, and a 10 per cent increase in planned delay of up to 140 days in intervention payments.

Ministry officials say it is still too early to make accurate forecasts. Grain prices have already dropped in the UK this season, partly in expectation of a record harvest and partly in response to changes in the EEC's support regime for cereals; farmers say they are receiving up to 10 per cent less for their wheat and 5 per cent less for their barley than last year.

Dual-trading on exchanges planned

THE Chicago Mercantile Exchange and the Singapore International Monetary Exchange will link their trading operations under a mutual offset system at 9 am Singapore time on Friday September 7 (8 pm Chicago time, Thursday).

The two exchanges will list futures contracts for three-month Eurodollar deposits, Japanese yen and Deutsche marks.

trading floor, as early as the same evening. Mutual offset means traders will only have to deposit a single margin to cover transactions on both markets.

PRICE CHANGES

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Metals, Oil, Grains, etc.

BRITISH COMMODITY PRICES

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Metals, Oil, Grains, etc.

BASE METALS

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Copper, Lead, Zinc, etc.

SILVER

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Silver, Gold, etc.

COTTON

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Cotton, etc.

AMERICAN MARKETS

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, Soybeans, etc.

LONDON OIL

Table with 4 columns: Commodity, Latest, % change, Month ago. Rows include Arabian Light, Brent, etc.

GAS OIL FUTURES

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Gas Oil, etc.

TIN

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Tin, etc.

COCOA

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Cocoa, etc.

SOYABEAN MEAL

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Soyabean Meal, etc.

WEEKLY METALS

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Metals, etc.

GOLD MARKETS

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Gold, etc.

LONDON FUTURES

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Futures, etc.

LEAD

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Lead, etc.

ZINC

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Zinc, etc.

WHEAT

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, etc.

WHEAT

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, etc.

EUROPEAN PRICES

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include European Prices, etc.

ALUMINIUM

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Aluminium, etc.

NICKEL

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Nickel, etc.

WHEAT

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, etc.

WHEAT

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, etc.

WHEAT

Table with 4 columns: Commodity, Aug. 21, Aug. 20, % change, Month ago. Rows include Wheat, etc.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer in quiet trading

The dollar was stronger in currency markets yesterday, helped by a firmer look to U.S. interest rates.

compared with 78.5 on Monday and 82.7 six months ago. Sterling was a little softer against a stronger dollar but showed an improvement against most European currencies.

Trade-weighted index 123.6 against 126.0 six months ago. The D-mark was weaker against the dollar, sterling, the Swiss franc and the Japanese yen at the Frankfurt fixing, but was generally firmer within the European Monetary System.

A rise of 7.5 per cent in U.S. gross national product during the second quarter, announced Monday, compared with a previous estimate of 7.5 per cent.

FINANCIAL FUTURES

Gilts firm

Quiet day on the London International Financial Futures Exchange yesterday was only relieved by a firmer tone to the gilt futures contract.

September futures delivery opened at 89.75 and traded within a narrow range of 89.70 to 89.83 before closing at 89.82, compared with 89.84 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for currency, unit rates, and percentage changes.

£ in New York Latest

Table showing £ in New York Latest with columns for date, price, and change.

THE POUND SPOT AND FORWARD

Table showing the Pound Spot and Forward rates for various currencies and periods.

THE DOLLAR SPOT AND FORWARD

Table showing the Dollar Spot and Forward rates for various currencies and periods.

OTHER CURRENCIES

Table showing other currencies and their rates against the dollar and pound.

CURRENCY MOVEMENTS

Table showing currency movements and exchange rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currency pairs.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for different maturities.

MONEY MARKETS

UK interest slightly firmer

Interest rates were slightly firmer in the London money market yesterday. Period rates were a little higher after the recent three half-point rises in UK base rates while short-term rates remained firm, reflecting a shortage of day-to-day credit.

The forecast was revised to a shortage of around £1,150m before taking into account the early help and the Bank gave additional help in the morning.

The forecast was again revised to a shortage of £1,000m, again before taking into account the earlier help and the Bank gave

assistance in the afternoon comprising purchases of £17m of eligible bank bills in band 1 at 10 1/2 per cent.

MONEY RATES

Table showing money rates for various currencies and locations.

LONDON MONEY RATES

Table showing London money rates for different types of deposits and bills.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various terms.

The fixing rates are the administered market rates for the interbank fixing of the bid and offered rates for 90m quoted by the market to fixance banks at 11 am each working day.

MOTOR CARS

SAAB WE OFFER FROM AUGUST NEW 16 VALVE TURBO FROM STOCK Ring Chris Perrett 01-346 6697

CONTRACT HIRE

Normand (City of London) Ltd. MR 500 SE 1983 (V) Fitted with Silver Blue Metallic paint.

GEYFORDS

500 SE A reg. full spec £25,950 1000 B reg. total spec £17,950 2000 B reg. total spec £17,950

DRABBLE ALLEN

A REG XJS HE. 1,500 miles. Appearance JAG XJS HE. 1,500 miles.

WANTED

ROAD RANGE LIVERPOOL. Cash buyers for top models Mercedes Benz, Fiat, etc.

CAPTAINS OF INDUSTRY

BRISTOL BRITANNIA Britain's most exclusive car—smaller than large normally, higher boot, last economical, easily maintained.

TAX FREE CARS

Peugeot Renault and British Leyland RHD Contact: TRANSMUNDO Belgium Tel: 32/324 10 54

Company Notices

ABN Bank

ALGEMEEN BANK NEDERLAND N.V. (Incorporated in the Netherlands with limited liability)

NOTICE TO HOLDERS OF EUROPEAN DEPOSIT RECEIPTS (EDRs)

NIPPON SHIPKAN CO., LTD. We are pleased to confirm that copies of the Quick Information of Annual Results of Consolidated Operations for the year ended March 31, 1984 of Nippon Shipkan Co., Ltd.

BANQUE NATIONALE DE PARIS

Floating Rate Note issue of US\$125,000,000 February 1979/91 The rate of interest applicable for the six months period beginning on August 22 1984 and set by the reference agent is 12 1/2% annually.

HOLIDAYS & TRAVEL

THE GARDNER of St James's, London's most exciting restaurant's night-time menu...

CLASSIFIED ADVERTISEMENT RATES

Table showing classified advertisement rates for different categories like Commercial and Industrial Property, Residential Property, etc.

MOTOR CARS

SAAB WE OFFER FROM AUGUST NEW 16 VALVE TURBO FROM STOCK Ring Chris Perrett 01-346 6697

RESIDENTIAL PROPERTY - RENTALS

FRIEND & FAIRCLOVE LOWNEDE SQUARE, SW1 A spacious rental flat situated on 3rd floor of prestigious block with 2 bedrooms.

FURNISHED LETTINGS

Quality London flats and houses to let conveniently in districts from international companies and embassies.

NEW HONDA CARS

Immediate or Earliest Delivery. Financing and Lease purchase. Telephone for prices 04626-79197

SWITZERLAND

LAKE GENÈVA - MOUNTAIN RESORTS. Apartments in Montreux on Lake Geneva. Also available in famous mountain resorts: Villars, Verbier, Les Diablerets, Chateau d'Oex near Gstaad.

FINANCIAL TIMES

Residential Property - Saturday or Wednesday. To advertise in the Residential Property column simply post your advertisement to: Classified Department, Financial Times, Bracken House.

FINANCIAL TIMES

Residential Property - Saturday or Wednesday. To advertise in the Residential Property column simply post your advertisement to: Classified Department, Financial Times, Bracken House.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 21.

Table of international bond issues with columns for Issuer, Denomination, Price, and Yield. Includes sections for U.S. ISSUES, DEUTSCHE BANK, and OTHER STRAIGHTS.

Table of international bond issues with columns for Issuer, Denomination, Price, and Yield. Includes sections for YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, and STRAIGHT BONDS.

EdF brings some life to quiet market with \$500m bond

BY MAGGIE URRY IN LONDON

ELECTRICITE DE FRANCE brought some life to the Eurodollar bond market late yesterday afternoon with a \$500m zero coupon bond. The 10-year bond was priced at 122.25 - 0.75, lower than last week's Swedish Export Credit issue of the same maturity.

OVER-THE-COUNTER

Large table of over-the-counter market data with columns for Stock, Sales, High, Low, Last, and Change. Includes sections for Continued from Page 20, S, and T.

Chrysler sells \$500m of commercial paper

BY MARGARET HUGHES IN LONDON

CHRYSLER Financial, the fund-raising arm of the U.S. motor group, has raised \$500m through the issue of Euro-commercial paper sold through European Banking Corporation (EBC) which was acting as agent bank.

ENERGY REVIEW

When nuclear reactors get too old

By Andrew Holmes

THE FIRST generation of commercial nuclear power plants is now reaching the autumn of life. Yet the technology for shutting reactors down has yet to be fully established and the cost of such operations is a matter of extreme uncertainty.

the expected cost benefits, would seem to point towards deferral of dismantling the most highly radioactive parts of the reactor. But for this choice which can really be taken freely?

DECOMMISSIONING COST OF NUCLEAR POWER STATIONS

Table with columns: Utility operator, Country, Reactor and size, Commissioning date, Expected decommissioning date, Expected cost.

cerned; energy economists will back them up. But elsewhere the situation may be more serious. Private utilities cannot automatically look to the government to bail them out if the cost of decommissioning outstrips the provision they have made for it.

